

# Superpay and Pension Automatic Enrolment v1.1

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## 1 Introduction

Pension automatic enrolment will affect all companies with employees, requiring them to automatically enrol some employees in a pension and offer a pension scheme to the others. Employers will need to contribute to the pension of all employees paid above a certain threshold. Employees with low earnings will not require an employer contribution but must still be offered a pension scheme.

These new regulations begin for a company on their staging date, which is determined by the number of employees in that company.

All companies with 250+ employees staged by April 2014. All companies with 50-249 employees staged by April 2015 and all smaller companies will stage by 2017, with some exceptions.

If you don't know your staging date, you can find it on the Pensions Regulator website:

<http://www.thepensionsregulator.gov.uk/employers/tools/staging-date.aspx>

Superpay also looks it up automatically when running payroll and you can find it on the third page of the company record. If it isn't there, store the company record to force Superpay to download it then load the record again.

It is recommended that you start to prepare for automatic enrolment 6 months before your staging date so that you are ready in time. There are many steps involved and you will need to allow sufficient time for these. Some major steps involved are:

- **Joining a qualifying pension scheme**  
If you already have a provider, check that the scheme qualifies for automatic enrolment and the provider will offer your company auto-enrolment. An existing scheme may not be qualifying even if it is contributing at a much higher rate than the required minimums.
- **Preparing data exports**  
Most pension providers will expect you to export data to them electronically and have specific requirements for the format of that data.
- **Employee communications**  
You must notify your employees of their rights under the new regulations and the scheme that you are offering, as well as informing them when they are automatically enrolled.

## 2 Superpay

Superpay can:

- automatically assess employees when you run your payroll
- start pension deductions where applicable
- calculate contributions each run
- produce letters for employees
- export CSV files that can be uploaded to your pension provider with details of any new members and contributions that have been paid in each tax period
- if you are using NEST, upload your information directly to NEST in a similar way to the RTI process for HMRC

You will need to enter any opt in, opt out and join notices received in each employee's record. These will be processed during the first run after the notice date.

Superpay is not involved in any employee communications before the staging date. The Pensions Regulator website can provide you with templates for these notices if you want to use them. Superpay's automatic enrolment letters are aimed at employees that have been assessed and/or enrolled at the staging date or later.

It is not recommended that you use external or two step assessment. This involves running the payroll normally and sending the payroll data to the pension provider or a third party. They will perform the assessment based on your data and tell you the results. This may appear to be an easier solution but, once the employees have been assessed, you will need to undo and re-run the payroll to reflect the results of the external assessment.

We are not able to provide any advice on choosing an appropriate pension scheme. If you are unsure which scheme to choose, you should consult an IFA or ask your accountant. Once you have chosen a scheme, we are able to tell you how to use Superpay to work with that scheme and its requirements.

A list of currently supported providers is available through the software. You can view this list when you're running the automatic enrolment wizard or through the pension scheme screen. If you are using a provider who is not on Superpay's list and you require a data export, you must provide a specification for the export and allow sufficient time for it to be written. There may be a one-off charge for writing a new export.

### 3 Automatic enrolment regulations

The Pensions Regulator website contains many guides for automatic enrolment for employees, employers and agents. These instructions range from brief introductions to the complete regulations and it is important that you have read them. We can assist with the parts of the process related to Superpay, such as the assessment and data export steps, but you will need to know your full responsibilities to ensure that you are not in breach of any requirements. Our instructions do not provide an exhaustive list of your responsibilities under the automatic enrolment regulations.

The Pensions Regulator website can be found at:

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

If you have not read any information yet, it is recommended you understand the basic rules before reading these instructions. As a starting point, you will need to be familiar with these terms:

- **Assessment date**  
A date that an employee is assessed on. An employee may have more than one assessment date within a single payslip (e.g. start pay reference period and 22<sup>nd</sup> birthday).
- **Eligible jobholder**  
Employee aged between 22 and State Pension Age and earning above £10,000 a year.
- **Non-eligible jobholder**  
Employee earning between £5,824 and £10,000 a year.  
Or  
Employee earning above £10,000 and outside the age range for eligible jobholders.
- **Entitled worker**  
Employee earning below £5,824 a year.
- **Pay reference period**  
The period of work that is covered by the current payslip, e.g. one week, one month.

- **Opt in / Join**  
Employees who are not automatically enrolled may choose to opt in to or join a scheme.
- **Opt out**  
Employees who are automatically enrolled may opt out of the pension and may receive a refund of contributions. They will not be enrolled again for approximately 3 years.
- **Postponement**  
You may postpone enrolment for up to 3 months under certain circumstances.

These are only summaries using figures from 2016-17 and do not reflect the full extent of the regulations. You should read the guides on the Pensions Regulator website for the complete definitions.

## 4 Employee postponement

An employer is allowed to postpone automatic enrolment for employees for up to 3 months from:

- The company's staging date
- The employee's start date
- The date that an employee becomes an eligible jobholder.

During this postponement period, you will not need to assess the employee or automatically enrol them in a pension. The employee may still opt in or join, in which case you must follow the normal procedures. At the end of the postponement period they are assessed as normal.

You cannot postpone an employee again at the end of an existing postponement period. However, you can postpone an employee multiple times as long as there is a gap between each postponement. For example:

An employee is postponed on their start date for 3 months. At the end of the postponement, they are assessed as a non-eligible jobholder. 2 months later, they are assessed as an eligible jobholder. You may now postpone them again for another 3 months.

At the end of the second postponement, they are not earning enough to be automatically enrolled and have not chosen to opt in or join. 4 months after the second postponement, the employee is paid a bonus and is assessed as an eligible jobholder. You may now postpone them again for another 3 months.

If an employee is postponed, they will still need to be sent information about the automatic enrolment process. Once an employee is enrolled, opts in or joins, postponement is no longer relevant.

### 4.1 Starters

Employers with many temporary staff may want to postpone new starters on the basis that the employee is likely to leave before 3 months. The employees can voluntarily join but you may avoid paying pension contributions automatically for many employees who leave before the postponement period expires.

### 4.2 Eligible jobholders

If you have employees whose pay is very variable or seasonal, you may want to postpone them as they become eligible jobholders. This will delay assessment until their pay returns to a lower level, which can avoid automatic enrolment for employees who are normally paid below the thresholds.

For example:

A casual employee is normally paid £100/week. In December, the employee does additional hours and earns £250/week instead. They are assessed as an eligible jobholder in that week and would be automatically enrolled. You may postpone the employee until February, at which point their earnings return to normal and they are no longer automatically enrolled. They may be postponed again at a future point for the same reason, unless their earnings continue to be higher until the end of the postponement period.

### 4.3 Postponement length

Postponement can be for any period up to 3 months from the relevant assessment date. You are not allowed to postpone employees for longer than this but there is no minimum postponement time, e.g. you can postpone an employee for 1 day if you want to.

In Superpay, you may postpone for a fixed time or until the start of a pay reference period. We recommend always postponing to the start of a pay reference period if possible. This will avoid any need to do assessment based on part-period earnings, which will need to be done manually. Postponing to the start of a pay reference period will normally result in postponement that is slightly shorter than the 3 month maximum but it is the easiest from an administration point of view.

For example:

A company pays weekly employees for work done from Monday to Sunday. An employee starts on 14<sup>th</sup> July 2016.

The latest the company can postpone the employee to is 14<sup>th</sup> October. However, this is a Friday. If the employee is postponed until 14<sup>th</sup> October, they must be assessed on that day and should only contribute pension on earnings due on or after the 14<sup>th</sup>, not earnings for the entire week.

If the employee is postponed to Monday 10<sup>th</sup> October, the employee will be assessed at the start of a pay reference period and any part-period pension calculation is avoided. The length of postponement has been shortened slightly but the calculation is now more straightforward.

## 5 Setup

You will need to set up a few details in Superpay before your company's staging date:

- The staging date and, if applicable, deferral date.  
If the staging date is left blank, Superpay will automatically enter it for you when you store your company record – see 1. above. Assessment will begin from the staging date entered. Until there is a staging date on your company record no assessment will be performed though Superpay will warn you if the date has passed or is imminent so that you do not inadvertently miss your staging date. The deferral date is the date the company has postponed to from its staging date.
- The end of the pay reference period  
This is needed to calculate the correct assessment dates for each employee.
- Default pension contribution rates  
Superpay will automatically start your employees' pensions when needed and needs to know the default contribution rates to use.
- Pension provider references  
These are references specific to each pension provider and are entered so that Superpay will be able to export a file ready for the provider to import. Some examples of references are worker groups, unique employer references provided by the scheme and the annual salary of an employee.

If you are using NEST, you can use Superpay to retrieve the rates and references automatically. You will need to know the NEST employer ID and a login and password for the company or your delegate/NEST Connect account.

You may also need to set up a postponement policy, if you are going to postpone employees, and may need to alter your payslip headings to ensure that pension contributions are calculated on only the correct elements of employees' pay.

You can use Superpay's automatic enrolment wizard to set up Superpay or you can set up each screen manually. We strongly recommend you use the wizard if possible as it is much easier. The wizard will handle the most common cases and is often all you need to do to configure Superpay for automatic enrolment. There are a few things that will require additional setup:

- Pensions calculated on a basis other than full earnings or qualifying earnings, e.g. basic pay only
- Employers with existing qualifying workplace pensions
- Employees that will enrol with individual rates
- Employers using multiple pension schemes for their automatic enrolment requirements

Even if these apply to you, you should run the wizard first regardless as it will set up the basics for you.

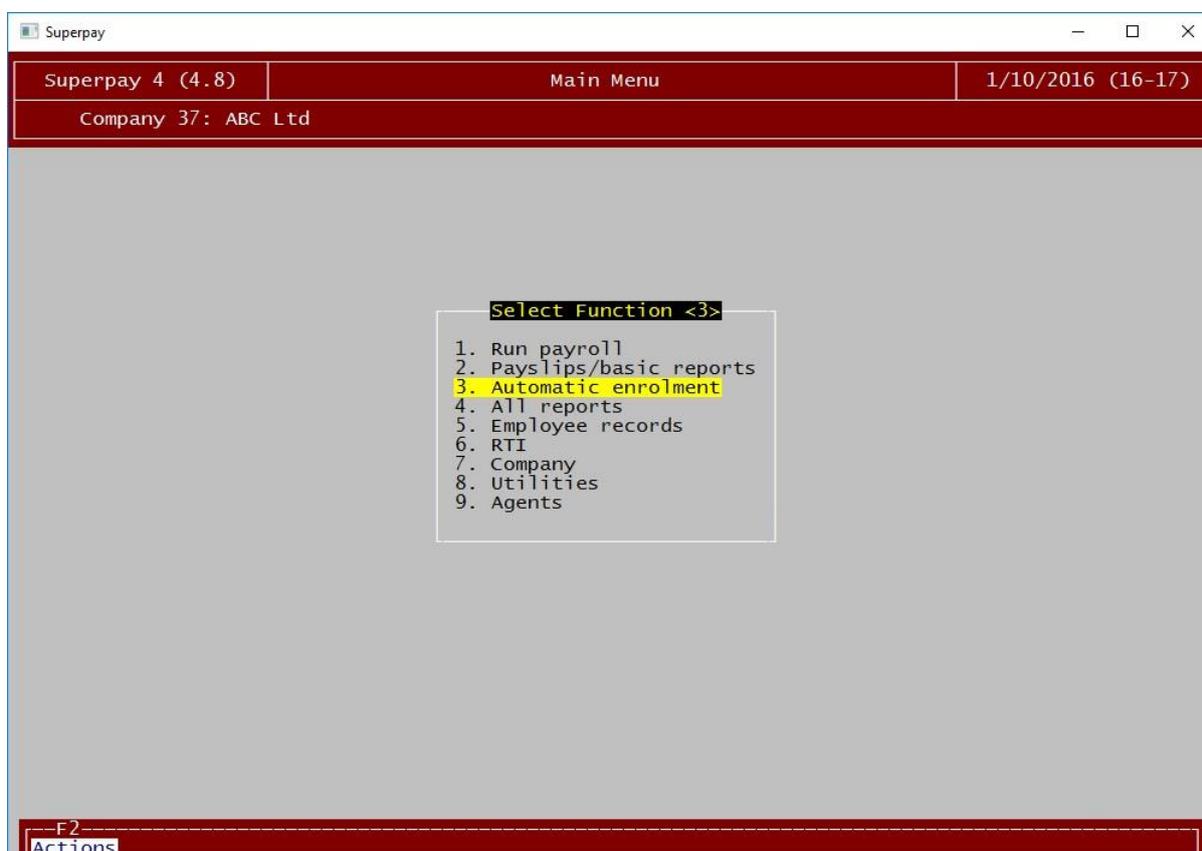
The screens of the wizard will change depending on your answers and pension provider so you may not see every screen when you run the wizard. For example, if you aren't postponing you won't see the options for setting up the postponement policy.

## 6 Automatic enrolment wizard for NEST

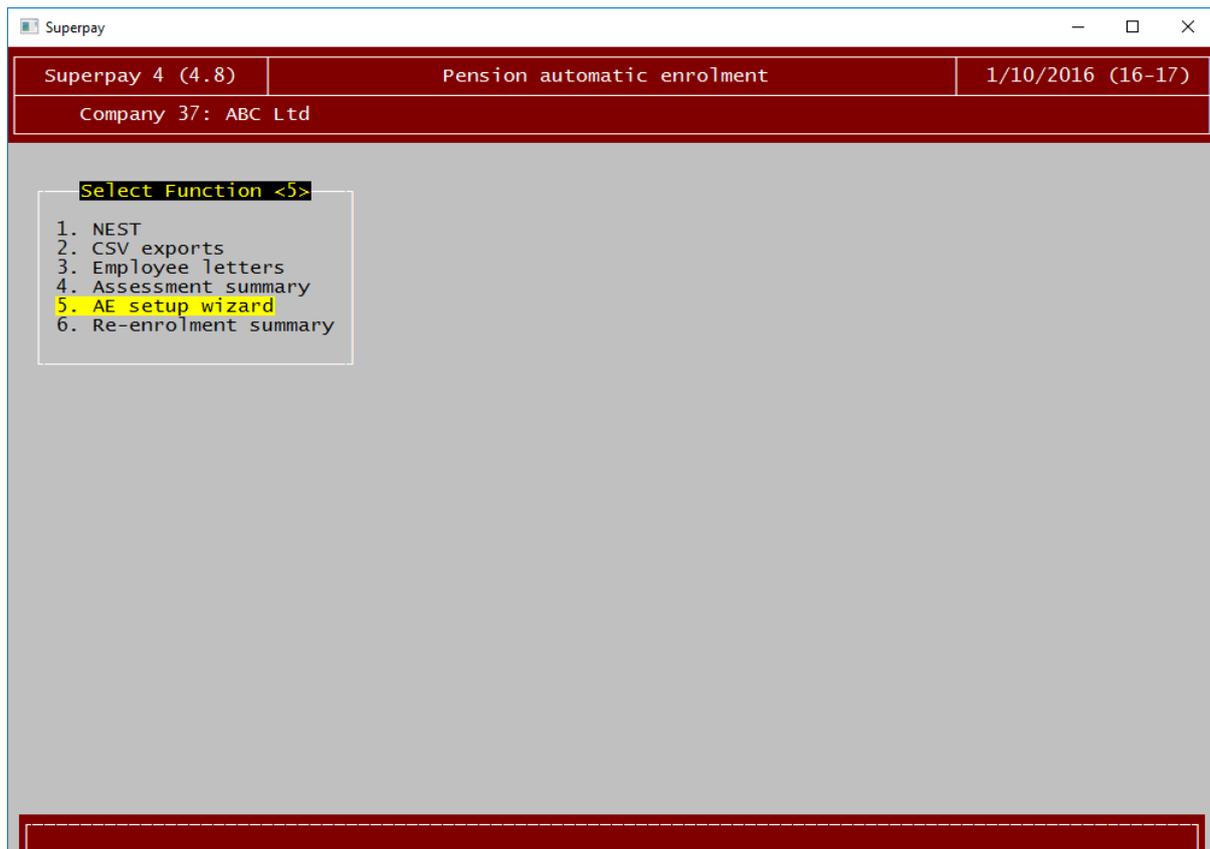
The wizard for NEST will retrieve some of the details automatically. This facility is not available for any other pension providers.

1. If you are an agent, you will need to have a delegate login for the client to access their information. We recommend you set up a NEST Connect account if you have not already done so; more information is available on NEST's website. Agents can enter their NEST credentials on the agent record and use them for all clients in a similar way to the agent HMRC gateway credentials. From the main menu, select 9. Agents, 9. Agent records and complete the NEST delegate login box.
2. If you are an employer, you will need to have a NEST login ID and password before running the wizard.

From the main menu, select 3. Automatic enrolment and press enter.



Select 5. AE setup wizard and press enter.



## 6.1 Page 1 - Basics

Superpay 4 (4.8) Pension automatic enrolment 1/10/2016 (16-17)

Company 37: ABC Ltd

Select Function <5>

1. NEST
2. CSV exports
- 3
- 4
- 5
- 6

Set up pension auto enrolment

Basics

Enter the staging date for enrolment <01/10/2016>

Pension provider <NEST >

PgDn for Next

F2 Actions F7 Pension provider

Superpay will retrieve your staging date from The Pensions Regulator's site where possible and set it automatically.

You only need to change this date if it is different, e.g. if you are part of a group of companies and are using the group's staging date instead of the current PAYE scheme's staging date. This should be the actual staging date, even if the company has postponed from the staging date. For example, if you stage on 1/10/16 and postpone to 1/1/17, this field should be 1/10/16.

The pension provider in this case will be NEST. Press F7 on the field and choose NEST from the top of the list.

When you have entered everything on this screen, press Page Down. The Page Down key will always move to the next page and the Page Up key moves to the previous page. You'll need to press Page Down after completing each page of the wizard.

## 6.2 Page 2 – Pay reference period & postponement

Superpay

Superpay 4 (4.8) Pension automatic enrolment 1/10/2016 (16-17)

Company 37: ABC Ltd

Select Function <5>

1. NEST
2. CSV exports
- 3
- 4
- 5
- 6

Set up pension auto enrolment

Pay reference period & postponement

Pay reference period end date <31st >

If all employees are being postponed from the staging date  
enter the deferral date < / / >

After the initial assessment  
will new starters or eligible jobholders be postponed? <N>

PgUp for Back PgDn for Next

F2  
Actions

1. The pay reference period (PRP) is the period that is covered by a payslip, which will normally match your pay interval, e.g. one week for a weekly payroll, one month for a monthly payroll. The field in Superpay should be set to the end date of the PRP. Note that it should be the end of the pay period, which is not necessarily the payday. Press F7 to choose from a list. For example:
  - A monthly payroll that pays for work done up to the end of the month should be set to 31<sup>st</sup> of the month. You should set this even if you normally pay at the end of the month as this will cover unusual cases where wages are paid early, such as Christmas.
  - A weekly payroll that pays for work done up to the Friday before the payday should be set to Previous Friday.
  - A four weekly payroll that pays for work done up to the Sunday before the payday should be set to Previous Sunday.

Weekly payrolls need to choose a period of 7 days, not 5 days, even if you only work Monday-Friday. For example you would have a PRP that runs either Saturday-Friday or Monday-Sunday.

2. If the company has postponed from the staging date, enter the deferral date on this screen. Note that this should be the date when assessment will first happen, not the last day the postponement is active. For example, if you stage on 1/10/16 and postpone so that the first assessment will be on 1/1/17, this field should be set to 1/1/17.
3. The final question relates to postponement of new starters and eligible jobholders after the staging date. It is not connected to any initial postponement you may do from the staging date. Enter a Y here if you are postponing employees that start or become eligible after the staging date. You'll be able to configure the details of this on the next screen.

### 6.3 Page 3 – Postponement policy

This page is only displayed if you have answered yes to the previous question ‘After the initial assessment will new starters or eligible jobholders be postponed?’ If you answered no, Superpay will instead move straight to the next page (6.4 below).

The screenshot shows the Superpay software interface. The window title is "Superpay". The header bar contains "Superpay 4 (4.8)", "Pension automatic enrolment", and "1/10/2016 (16-17)". Below the header, it says "Company 37: ABC Ltd". The main area has a menu on the left with options: 1. NEST, 2. CSV exports, 3. Set up pension auto enrolment (highlighted), 4. Postponement policy (highlighted), 5. For how long, 6. For (how many). The "Postponement policy" screen displays: "Postpone these types <Starters only >", "For how long <Pay ref period start>", and "For (how many) <3 > (weeks or months) <Months>". At the bottom, there are buttons for "PgUp for Back" and "PgDn for Next". A footer bar shows "F2 Actions" and "F7 Postponement interval".

1. Postpone these types – Press F7 to change this option. *Starters only* will postpone any employees that start on or after the staging date. *Eligible jobholders* will postpone any employees that become eligible on or after the staging date. *Everyone* will postpone both of these groups.
2. For how long – Press F7 to change this option. *To start of pay reference period* will always postpone to the start of a pay reference period while *For a fixed period* will postpone for a fixed length of time. We recommend you choose the start of a pay reference period if possible. This means that employees will be postponed for slightly different lengths of time depending on when they started or became eligible but it avoids any assessment dates falling in the middle of a pay reference period.
3. For (how many) – Enter a number here. This will be the number of weeks or months that you’re postponing these employees.
4. (weeks or months) – Press F7 to choose either weeks or months. This combines with the previous field to tell Superpay how long to postpone these employees for.

In the screenshot above, employees will be postponed for 3 months from their start date to the start of a pay reference period. In practice this will mean employees are postponed for a period of between 2 and 3 months as Superpay will always go to the start of a pay period and it cannot go over 3 months. The 3 months is shortened in most cases to land on the first day of a pay reference period.

## 6.4 Page 4 – NEST setup

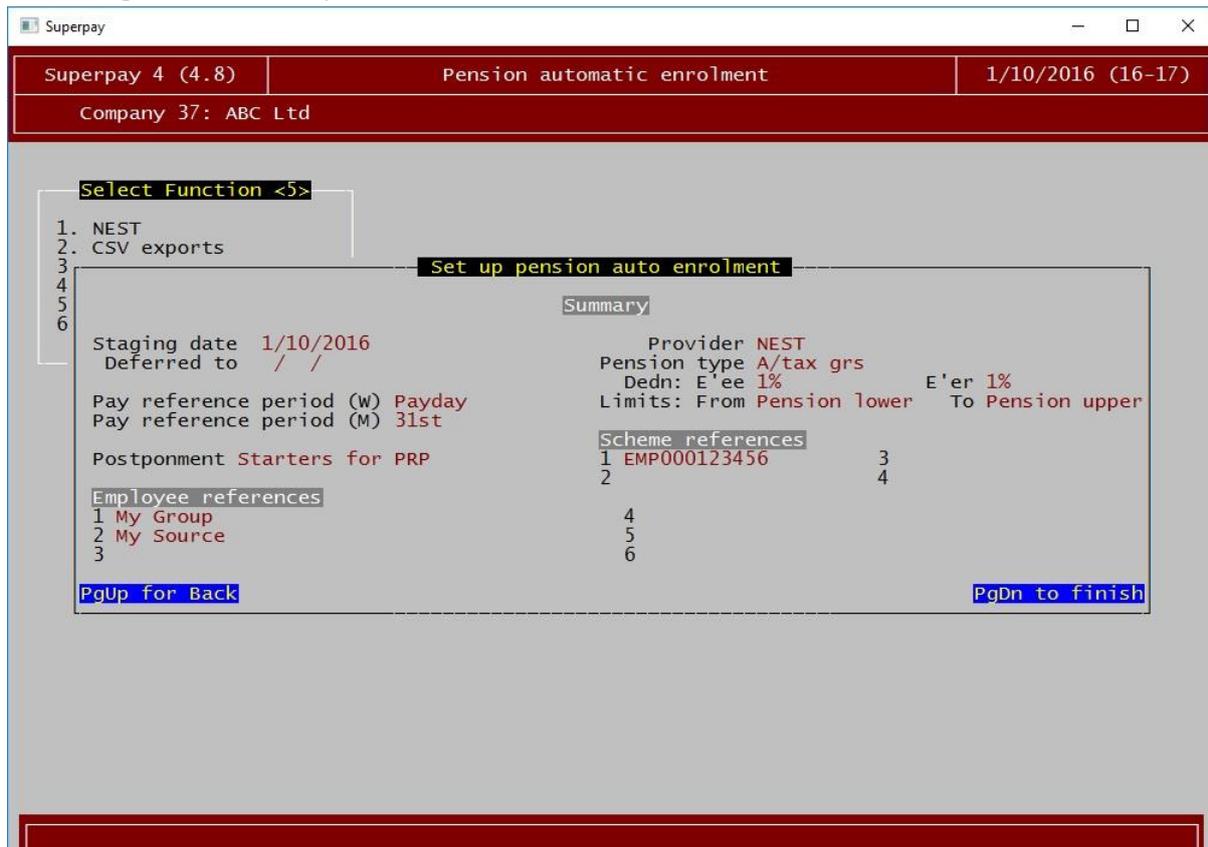
The screenshot shows the Superpay application window. The title bar reads 'Superpay'. The main header area contains 'Superpay 4 (4.8)', 'Pension automatic enrolment', and '1/10/2016 (16-17)'. Below this, it says 'Company 37: ABC Ltd'. The main content area is a terminal-style interface with a menu on the left: 'Select Function <5>' followed by a list: '1. NEST', '2. CSV exports', '3', '4', '5', '6'. The selected option is 'Set up pension auto enrolment'. Below this is a sub-menu 'NEST setup' with fields: 'Employer ID <EMP000123456>', 'User name <info@abcltd.com>', and 'Password <\*\*\*\*\*>'. At the bottom of the main area are two buttons: 'PgUp for Back' and 'PgDn for Next'. The bottom status bar shows 'F2 Actions' and 'F7 Password'.

1. Enter your NEST employer ID in the Employer ID field. This is in the format EMP followed by 9 digits, e.g. EMP123456789 (always enter any leading zeros). Agents should enter the employer ID of the employer and not the agent's ID or delegate ID.
2. Enter the user name and password you would use to log in to the NEST website. You will need to press F7 on the password field to enter it.

Agents will not normally see the fields for user name and password because Superpay will use the delegate credentials you have entered in the agent record (see 6. Above). These fields would only apply if you are not using one common delegate or NEST connect for all clients and have a different delegate login for each client.

Superpay will retrieve details of your NEST setup when you press Page Down. You will not need to enter the details of the pension rates, group names, etc. manually.

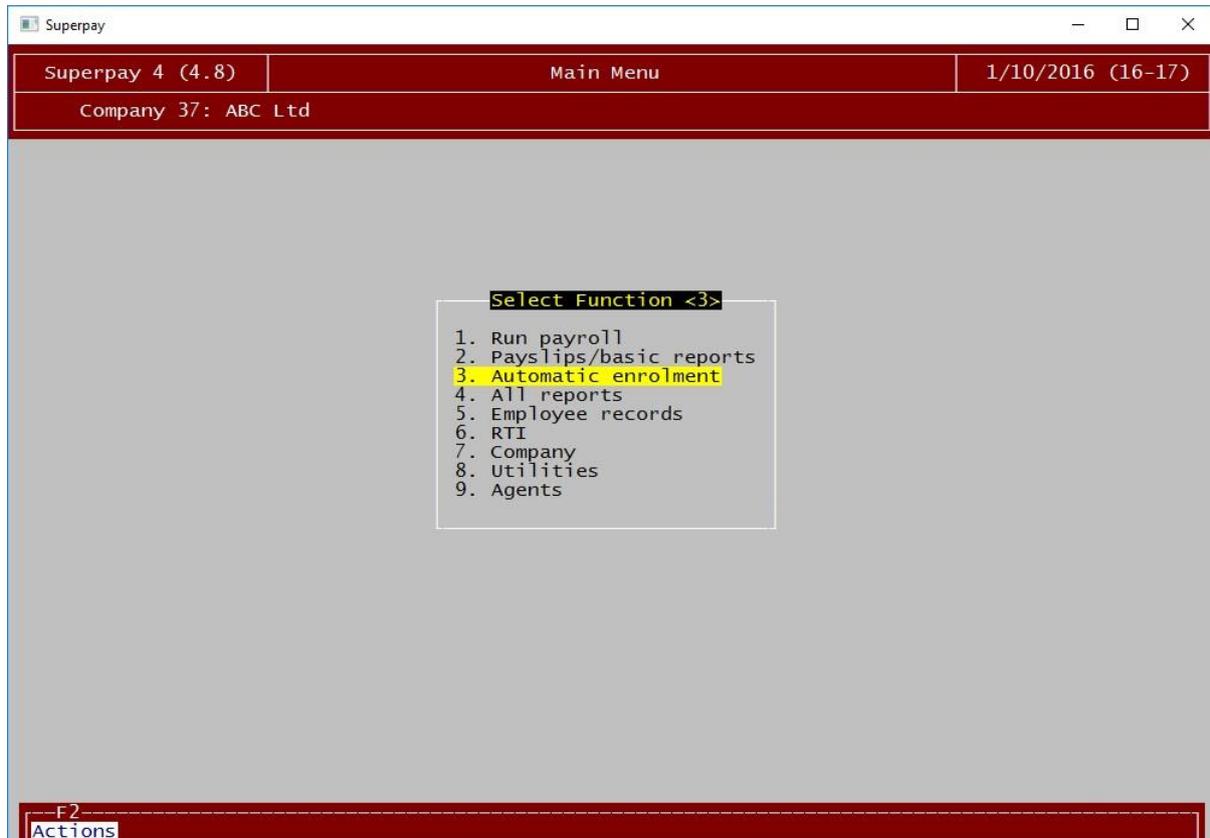
## 6.5 Page 5 - Summary



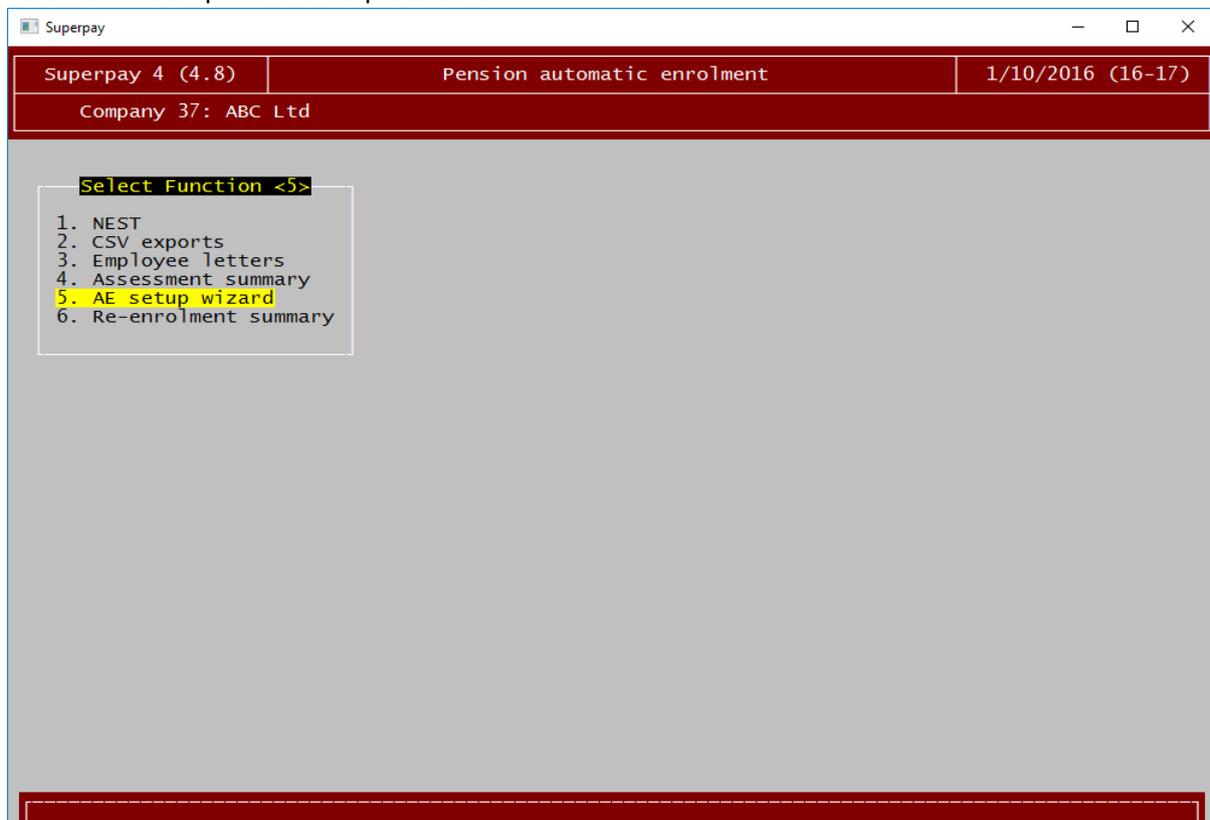
The final page is a summary of everything that has been set up in the wizard, including the details downloaded from NEST. Press Page Down to continue and then Space to store everything.

## 7 Automatic enrolment wizard for other pension providers

From the main menu, select 3. Automatic enrolment and press enter.



Select 5. AE setup wizard and press enter.



## 7.1 Page 1 - Basics

The screenshot shows the Superpay software interface. At the top, there is a header bar with the following information: "Superpay 4 (4.8)", "Pension automatic enrolment", and "1/10/2016 (16-17)". Below this, a sub-header indicates "Company 37: ABC Ltd".

The main content area is titled "Set up pension auto enrolment" and "Basics". It contains the following text and fields:

- "Select Function <5>" with a list of options: 1. NEST, 2. CSV exports, 3, 4, 5, 6.
- "Enter the staging date for enrolment <01/10/2016>"
- "Pension provider <People's Pension >"
- "PgDn for Next" button.

At the bottom of the screen, there is a footer bar with "F2 Actions" and "F7 Pension provider".

1. Superpay will look up your staging date with The Pensions Regulator where possible and set it automatically. You only need to change it if it is different, e.g. if you are part of a group of companies and using the group's staging date instead of this PAYE scheme's staging date. This should be the actual staging date, even if the company has postponed from the staging date. For example, if you stage on 1/10/16 and postpone to 1/1/17, this field should be 1/10/16.
2. Press F7 on the Pension provider field and choose from the list. In this case we've chosen People's Pension.

When you have entered everything on this screen, press Page Down. The Page Down key will always move to the next page and the Page Up key moves to the previous page. You'll need to press Page Down after completing each page of the wizard.

## 7.2 Page 2 – Pay reference period & postponement

Superpay

Superpay 4 (4.8) Pension automatic enrolment 1/10/2016 (16-17)

Company 37: ABC Ltd

Select Function <5>

1. NEST  
2. CSV exports  
3  
4  
5  
6

Set up pension auto enrolment

Pay reference period & postponement

Pay reference period end date <31st >

If all employees are being postponed from the staging date  
enter the deferral date < / / >

After the initial assessment  
will new starters or eligible jobholders be postponed? <N>

PgUp for Back PgDn for Next

F2  
Actions

1. The pay reference period (PRP) is the period that is covered by a payslip, which will normally match your pay interval, e.g. one week for a weekly payroll, one month for a monthly payroll. The field in Superpay should be set to the end date of the PRP. Note that it should be the end of the pay period, which is not necessarily the payday. Press F7 to choose from a list. For example:
  - A monthly payroll that pays for work done up to the end of the month should be set to 31<sup>st</sup> of the month. You should set this even if you normally pay at the end of the month as this will cover unusual cases where wages are paid early, such as Christmas.
  - A weekly payroll that pays for work done up to the Friday before the payday should be set to Previous Friday.
  - A four weekly payroll that pays for work done up to the Sunday before the payday should be set to Previous Sunday.

Weekly payrolls need to choose a period of 7 days, not 5 days, even if you only work Monday-Friday. For example you would have a PRP that runs either Saturday-Friday or Monday-Sunday.

2. If the company has postponed from the staging date, enter the deferral date on this screen. Note that this should be the date when assessment will first happen, not the last day the postponement is active. For example, if you stage on 1/10/16 and postpone so that the first assessment will be on 1/1/17, this field should be set to 1/1/17.
3. The final question relates to postponement of new starters and eligible jobholders after the staging date. It is not connected to any initial postponement you may do from the staging date. Enter a Y here if you are postponing employees that start or become eligible after the staging date. You'll be able to configure the details of this on the next screen.

### 7.3 Page 3 – Postponement policy

This page is only displayed if you have answered yes to the previous question ‘After the initial assessment will new starters or eligible jobholders be postponed?’ If you answered no, Superpay will instead move straight to the next page (7.4 below).

The screenshot shows the Superpay software interface. At the top, the window title is 'Superpay'. Below the title bar, there is a header area with 'Superpay 4 (4.8)', 'Pension automatic enrolment', and '1/10/2016 (16-17)'. Below this, the company name 'Company 37: ABC Ltd' is displayed. The main content area is titled 'Set up pension auto enrolment' and 'Postponement policy'. It contains the following text: 'Postpone these types <Starters only >', 'For how long <Pay ref period start>', and 'For (how many) <3 > (weeks or months) <Months>'. On the left side, there is a menu with options 1. NEST, 2. CSV exports, 3, 4, 5, and 6. At the bottom of the main area, there are navigation instructions: 'PgUp for Back' and 'PgDn for Next'. At the very bottom of the window, there is a footer area with 'F2 Actions' and 'F7 Postponement interval'.

1. Postpone these types – Press F7 to change this option. *Starters only* will postpone any employees that start on or after the staging date. *Eligible jobholders* will postpone any employees that become eligible on or after the staging date. *Everyone* will postpone both of these groups.
2. For how long – Press F7 to change this option. *To start of pay reference period* will always postpone to the start of a pay reference period while *For a fixed period* will postpone for a fixed length of time. We recommend you choose the start of a pay reference period if possible. This means that employees will be postponed for slightly different lengths of time depending on when they started or became eligible but it avoids any assessment dates falling in the middle of a pay reference period.
3. For (how many) – Enter a number here. This will be the number of weeks or months that you’re postponing these employees.
4. (weeks or months) – Press F7 to choose either weeks or months. This combines with the previous field to tell Superpay how long to postpone these employees for.

In the screenshot above, employees will be postponed for 3 months from their start date to the start of a pay reference period. In practice this will mean employees are postponed for a period of between 2 and 3 months as Superpay will always go to the start of a pay period and it cannot go over 3 months. The 3 months is shortened in most cases to land on the first day of a pay reference period.

## 7.4 Page 4 – Pension scheme

Superpay

Superpay 4 (4.8) Pension automatic enrolment 1/10/2016 (16-17)

Company 37: ABC Ltd

Select Function <5>

1. NEST
2. CSV exports
- 3
- 4
- 5
- 6

Set up pension auto enrolment

Pension scheme

Tax relief <PreTax >

Deductions: E'ee < 1%> E'er < 1%>

Use qualifying earnings? <Y>

PgUp for Back PgDn for Next

F2 Actions

These are the default contribution rates that will be used for employees that are automatically enrolled in this scheme. Individuals can change their contribution rates once they're a member, these are only the default rates. If you're unsure about any of these fields, you should ask your pension provider.

### 1. Tax relief – Press F7 and choose the appropriate tax relief.

- After tax gross (tax relief at source) and After tax net (tax relief at source) are the same tax relief (i.e. tax relief at source) and are only different in how Superpay calculates the contributions. It is very important that this matches what has been set up with the pension provider so that employees receive the correct tax relief.

After tax or tax relief at source means the pension scheme will claim the tax relief back through HMRC and no tax relief is given in payroll. Employees will contribute slightly less through payroll under this arrangement and get the rest through the pension scheme.

If you choose After tax gross, Superpay will reduce the contribution you enter by the basic rate (20% in 2016/17). If you choose After tax net, Superpay will take the contribution as entered. For example, in 2016/17 After tax gross 1% is completely equivalent to After tax net 0.8%. The advantage of the gross option is that Superpay will automatically adjust the contribution if the basic rate of tax changes whereas net will need to be adjusted manually if that happens. We recommend you use After tax gross.

- Before tax or net pay arrangement means the tax relief is given directly through the payroll. Employees will pay tax on their taxable gross minus their employee pension contribution, which will reduce the tax paid. The pension scheme will not claim any tax relief through HMRC.

- Salary sacrifice means the employee will not contribute anything directly. The employer will contribute money on the employee's behalf and the employee will receive a lower amount of gross pay to compensate. More details of salary sacrifice are available in section 17 (page 39).
2. Deductions - The contribution levels, which can be either fixed amounts or percentages. You must enter the % symbol if you want to use a percentage.

For example:

- After tax net, Employee – 5%, Employer – 3%

The employee will pay 5% of their pensionable earnings to the pension. The tax calculation is not affected. The pension scheme will claim the extra 20%, leading to an effective employee pension contribution of 6.25%. The employer will contribute 3% of the employee's pensionable earnings.

- After tax gross, Employee – 1%, Employer – 1%

The employee will pay 0.8% (1% less basic rate of 20%) of their earnings to the pension. The tax calculation is not affected. The pension scheme will claim the extra 20%, leading to an effective employee pension contribution of 1%. The employer will contribute 1% of the employee's pensionable earnings.

- Before tax, Employee 200, Employer 1%

The employee will pay £200 to the pension, reducing their tax liability by £200. The pension scheme will not claim any additional amount. The employer will contribute 1% of the employee's pensionable earnings.

3. Use qualifying earnings – Enter Y if the pension is to be calculated on qualifying earnings. Qualifying earnings are all earnings between the lower and upper pension qualifying limits, which are £486 and £3583 monthly in 2016/17. If you are using a full earnings or basic pay basis for the pension, you must enter N here.

## 7.5 Page 5 - References

The screenshot shows a terminal window titled 'Superpay'. The header bar contains 'Superpay 4 (4.8)', 'Pension automatic enrolment', and '1/10/2016 (16-17)'. Below this, it says 'Company 37: ABC Ltd'. The main screen displays a menu with options 1 through 6. Option 2, 'CSV exports', is selected. A sub-menu titled 'Set up pension auto enrolment' is open, showing a 'References' section. Under 'References', there are two categories: 'Scheme references' with a 'Unique ID' field highlighted in yellow, and 'Employee references' with a 'worker group ID' field. At the bottom of the screen, there are two buttons: 'PgUp for Back' and 'PgDn for Next'. The footer bar shows 'F2 Actions'.

This screen is different for each pension provider and contains fields used in the export CSV files that are not otherwise held within Superpay. The names of the fields displayed are the names provided by the pension provider and, if in doubt, you must ask them what you should enter on this screen.

Some pension providers do not require any additional references and so Superpay will automatically skip this screen in some cases.

## 7.6 Page 6 - Summary

Superpay 4 (4.8) Pension automatic enrolment 1/10/2016 (16-17)  
 Company 37: ABC Ltd

Select Function <5>

1. NEST
2. CSV exports
- 3
- 4
- 5
- 6

**Set up pension auto enrolment**

Summary

Staging date	1/10/2016	Provider	People's Pension
Deferred to	/ /	Pension type	PreTax
Pay reference period (W)	Payday	Dedn: E'ee	1%
Pay reference period (M)	31st	E'er	1%
Postponment	Starters for PRP	Limits: From	Pension lower
		To	Pension upper

<b>Scheme references</b>	
1	123456
2	

<b>Employee references</b>	
1	Main
2	
3	

PgUp for Back PgDn to finish

The final page is a summary of everything that has been set up in the wizard. Press Page Down to continue and then Space to store everything.

## 8 Assessment and enrolment

Employees will be automatically assessed while running payroll on or after the staging date entered. You will see a message in the *Messages and HMRC* notifications box at the bottom of the payslip if there is any change to the employee's pension status.

1. Any employees who need to be automatically enrolled will start pension contributions at the default rates you have entered in the pension scheme.
2. Postponements will be automatically applied if a postponement policy has been set up for the company. The date the employee has been postponed to will be shown in the message box.
3. Opt in and join notices that have been entered for individual employees that have not been processed yet and are dated before the current run are displayed in the message box. Pension contributions will then start automatically during the run.
4. Opt out notices are processed in the same way as opt in and join notices. If an opt out is non-refundable, the employee will simply stop pension contributions. If a refund is due, the total contributions will be refunded to the employee and employer.

### 8.1 First run

In each tax period Superpay will only export data for employees who have been run for that period.

If your pension provider requires details of all employees during the first export (i.e. including entitled workers who aren't being paid in the current period), you must run a payslip for all employees. Those employees who aren't being paid need a zero payslip in the period. You can stop any tax or NI refund being paid by selecting *No tax or NI refund* from the F2 menu during the run.

## 9 Exporting data

Most pension providers will require you to send employee details and contributions to them electronically. Superpay can produce these files for you automatically if your provider is one of the supported pension providers.

If your provider is not in the list of supported providers, an export can be added. You will need to supply a specification for the data required by the provider and allow sufficient time for the export to be written.

### 9.1 NEST

You can upload your enrolment and contribution details directly to NEST through Superpay. The process is similar to the RTI submissions process you're familiar with. From the main menu, select *3. Automatic enrolment* then *1. NEST*.

There are 3 available NEST uploads:

1. Enrolments – Sends employee details for any new enrolments. You must do this for each payroll where an employee newly enrolls. You will need to do it the first time but you may not need to do it in subsequent periods if nobody newly enrolls.
2. Contributions – Sends contribution details for all NEST members paid in the period. You must do this for each payroll you run with pension contributions as it tells NEST what contributions you have taken for each employee and how much the company owes NEST.
3. Approve payment schedules – Approves the payment from the employer to NEST. You must do this for each payroll you run with pension contributions, even if you are using direct debit to pay NEST.

In each case the general process is the same.

1. Choose the upload option.
2. Follow it through to send the information to NEST.
3. Check the history (option *4. Filing history*) to make sure it was successful.

NEST's response times are much longer than HMRC's RTI response times, typically at least 30 minutes. You can send the submission and come back to check the history later rather than waiting on the submission screen in Superpay.

NEST also needs to process each submission before you are able to send the next one. If you have new enrolments to report, you need to wait until this has been processed by NEST before attempting to either send the contributions file. Similarly, the approve payment schedules submission must be sent after the contributions have been sent and processed.

If you want to export CSV files to upload manually instead of sending the information directly to NEST, choose option *2. CSV exports* from the *Automatic enrolment* menu instead of *1. NEST* then follow the instructions below.

### 9.2 Exporting CSV file for other providers

If your provider is in the list of supported pension providers, you can find the export files by selecting *3. Auto enrolment* then *2. CSV exports*. These reports are only available in CSV format; you cannot print them or export to PDF or spreadsheet.

1. If you have not exported files from Superpay before, they will be exported by default to your Documents folder. Superpay should create a folder inside that called Superpay, which will contain a folder for each company you have exported files for.
2. If you can't find Superpay's export folder, go to the User settings screen in your Utilities menu, press F2 and choose *Open report folder*. This will open the folder that Superpay is using for its file exports.

Your provider will give you instructions on how to send the file to them.

Note that Superpay's data exports should only be needed for automatic enrolment schemes. If you have an existing scheme, you will continue to send your contribution and joiner details to them as you always have.

## 10 Employee letters

Superpay can generate PDF's of the letters that must be sent to employees for automatic enrolment. A letter will be generated when an employee is:

- Automatically enrolled
- Assessed as a non-eligible jobholder or an entitled worker
- Postponed

Letters are not created for employees that have been assessed as eligible jobholders that are already a member of a qualifying workplace pension. This would only affect employers with an existing scheme. Superpay will also not create any letters you may choose to send before the staging date providing general information about the automatic enrolment changes that are coming.

1. From the main menu, choose *3. Automatic enrolment* then *3. Employee letters*.
2. Enter the tax period, press enter and Superpay will generate the letters. Note that they are not brought up on the screen at this point.
3. If you have exported files from Superpay before (CSV, PDF, spreadsheet), Superpay will create the letters in the same folder as those files.

If you have not exported files from Superpay before, they will be exported by default to your Documents folder. Superpay should create a folder inside that called Superpay, which will contain a folder for each company you have exported files for.

If you can't find Superpay's export folder, go to the User settings screen in the Utilities menu, press F2 and choose *Open report folder*. This will open the folder that Superpay is using for its file exports.

## 11 Pension events

Pension events are used to track an employee's automatic enrolment status in Superpay. Some of these are automatically generated by Superpay while others are entered manually. You can view an employee's event history on the third page of their employee record.

To view the full list of pension events, press F2 on an employee's record and choose *Edit pension events*.

1. Superpay generates an event when:
  - An employee is assessed as a new category of worker
  - An employee is automatically enrolled
  - An opt in, opt out or join notice is processed
  - An employee is postponed
  - A letter needs to be sent to an employee
  
2. You will need to enter an event manually when:
  - An employee hands in an opt in notice
  - You receive an employee opt out notice from your pension provider

Employee notices can be entered by pressing F2 on the complete pension event list. Select *Add a new event* to add a new event or *Edit this event* to edit the selected event. When you have finished entering the details, press F2 and store the event.

You can also add an opt in and opt out directly from the employee record by pressing F2 and choosing *Add a pension opt-in* or *Add a pension opt-out*.

### 11.1 Event type

Press F7 to choose the event type – opt in, join or opt out.

### 11.2 Effective date

The date that this notice is effective from. Normally this would be the date that the notice was received.

### 11.3 Opt out reference

If this is an opt out, you may need to enter the unique reference number of that opt out here. This is only used by NEST and only entered if it is known. You may not have an opt out reference even if NEST is your provider.

### 11.4 Refund pension already paid

If this is an opt out, enter Y if a refund should be paid to the employee. Refunds are only paid if an employee opts out within the opt out window. If set to Y, Superpay will refund all contributions to that scheme on the first run on or after the effective date. If set to N, Superpay will stop all future contributions but will not refund the employee's contributions so far.

## 12 Re-enrolment

An employer must re-enrol employees that have opted out every three years. This will not affect you until roughly three years after your staging date so you can skip this section if you are setting Superpay up for the staging date now.

The employer must choose a re-enrolment date that is 3 years forward from the company's staging date plus or minus 3 months i.e. a date between 2 years 9 months and 3 years 3 months after staging. On this date they must assess any employees that opted out more than a year before the re-enrolment date and re-enrol them where necessary. Any employees that do not immediately re-enrol (due to age or earnings) will be assessed as normal each period and may re-enrol in the future. The employer must also complete a re-declaration of compliance with The Pensions Regulator.

We recommend you pick a date that is at the start of a pay reference period. If you have multiple pay intervals in your company, try to pick a date that is at the start of each pay reference period if possible.

Enter the date you've chosen on the third page of the company record in the field *Re-enrol date*. When you run payroll on this date Superpay will automatically re-enrol any opted out employees that need to be re-enrolled.

There is a report that summarises the re-enrolment results in *3. Automatic enrolment, 6. Re-enrolment summary*.

The second re-enrolment date will be 3 years forward from the first re-enrolment date, plus or minus 3 months. This means it may be between 5 years 6 months and 6 years 6 months from the original staging date. Each subsequent re-enrolment date is chosen based on the previous date used.

## 13 Manual setup – Company record Page 3

### 13.1 Staging date

The staging date for the company.

### 13.2 Staging date type

Press F7 and choose one of three options:

- Set automatically – Superpay will retrieve the staging date from the pensions regulator site. This is the default setting.
- Company has no staging date – Choose this option and Superpay will not implement any auto-enrolment for this company
- Set manually – Choose this option and save the record. Then return to this screen and you will be able to over-ride the date Superpay has displayed in the Staging date field.

### 13.3 Deferral date

If the company is postponing all employees from the staging date, enter the deferral date here. This is the first day that normal assessment will begin. It can be no more than 3 months from the staging date entered above.

If you enter a deferral date, any employees who are employed at the staging date will be postponed until the deferral date. Employees who start after the staging date will be postponed until the deferral date unless you have set up a postponement policy that would cause them to be postponed past the deferral date.

### 13.4 Postponement policy

If the company is planning to postpone either starters or eligible jobholders, you will need to set up an employee postponement policy for the company. You do not need to set this up if you are only planning to postpone employees from the company's staging date.

Press F7 on this field to change the company's postponement policy:

Postpone these types – press F7 to choose starters only, eligible jobholders only or both.

In this way – press F7 to choose to postpone for either a fixed period or until the start of a pay reference period.

For how many weeks or months – how long employees should be postponed for. If you chose a fixed period, this is the length of the postponement policy. If you chose the start of a pay reference period, Superpay will postpone employees to the start of a pay reference period at least this many weeks or months in the future.

Note that Superpay will never postpone for more than 3 months, which is the maximum allowable in the automatic enrolment regulations. For example, if you choose both *start of a pay reference period* and *3 months*, you will find that most employees are postponed for less than 3 months. They will be postponed until the start of the pay reference period that crosses the 3 month boundary.

If you choose start of a pay reference period and 0 weeks/months, Superpay will ensure that employees are always assessed at the start of a pay reference period. If the assessment date happens to be the start of a pay reference period, the employee will not be postponed at all. If it is not, the employee is postponed to the start of the next pay reference period.

### 13.5 Pay reference period (weekly)

The last day of the worked pay reference period relative to the payday. If you do not have any employees who are weekly, two weekly or four weekly, you do not need to complete this field. It is important that this is set correctly as it is used to determine the correct assessment date and also has an impact on parental pay calculations.

For example:

Employees are paid on a Tuesday for work done between Monday and Sunday of last week. The pay reference period should be set to Previous Sunday – the pay reference period ends on the Sunday before the payday.

Employees are paid this Friday for work done between last Saturday and this Friday. The pay reference period should be set to Payday – the pay reference period ends on the payday.

Employees are paid on Friday 14<sup>th</sup> for work done between Saturday 1<sup>st</sup> and Friday 7<sup>th</sup>. The pay reference period should be set to Previous Friday – the pay reference period ends on the Friday before the payday.

### 13.6 Pay reference period (monthly)

The last day of the worked pay reference period relative to the payday. If you do not have any employees who are monthly, three monthly, six monthly or annual, you do not need to complete this field. It is important that this is set correctly as it is used to determine the correct assessment date and also has an impact on parental pay calculations.

Note that if you choose the 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup> of the month, Superpay will choose the last possible day of the month when there are not enough days in the month.

For example:

Employees are paid on 28<sup>th</sup> for work done from 1<sup>st</sup> to 31<sup>st</sup> of the month. The pay reference period should be set to 31<sup>st</sup> – the pay reference period ends on the 31<sup>st</sup> of the month of the payday.

Employees are paid on 31<sup>st</sup> for work done from 1<sup>st</sup> to 31<sup>st</sup> of the month. The pay reference period should be set to 31<sup>st</sup> – the pay reference period ends on the 31<sup>st</sup> of the month of the payday. You could also set payday, which would work as long as you always ran payroll on the last date, but we recommend choosing 31<sup>st</sup> specifically so that it will always be correct when a payroll is run slightly early.

Employees are paid on 25<sup>th</sup> for work done from 20<sup>th</sup> of last month to 19<sup>th</sup> of this month. The pay reference period should be set to 19<sup>th</sup> – the pay reference period ends on the 19<sup>th</sup> of the month of the payday.

### 13.7 Calculate before assessment

This field is not normally changed from its default value.

If you want pension to be calculated on payslips that are paid before the enrolment date but in the same pay reference period as the enrolment, enter Y here. You should only change this option if you know you need to change it.

### 13.8 External assessment

External assessment means that another person or software is handling the assessment process and Superpay should not assess any employees. Enter Y here if this is the case. This means Superpay will never assess or automatically enrol employees and will only process opt out notices.

See section 17.1 External assessment (page 39) for more information.

### 13.9 Edit pension events

This field is not normally changed from its default value.

This field is used if you are setting up a company for the first time in Superpay that has already had prior assessments, typically in cases where an employer is changing software or changing to another agent. You should only change this option if you know you need to change it.

### 13.10 NEST user name and password

Enter the user name and password used to log in to NEST. This should only be entered by:

- employers using Superpay without an agent or
- agents that have a different NEST login for each client.

Agents using shared delegate credentials for their clients should not enter their user name and password here.

### 13.11 Use NEST integration

NEST integration allows Superpay to upload information directly to NEST and is needed for uploading enrolments, contributions and approving payments as well as downloading your setup information during the wizard. Enter an N here if you don't want to use any of these features.

### 13.12 Due dates

Superpay can store the NEST payment rules to automatically calculate the payment date used in a NEST contribution upload or CSV file. These are not normally entered manually. You can refresh them automatically if you are using NEST integration by going to *Main menu, 3. Automatic enrolment, 1. NEST* then *5. Get due dates for payments*.

If you are entering them manually, you need to add one entry to this list for each group that exists on NEST. Select an empty space, press F7 and follow the information on screen to set them up.

These fields do not need to be set up if you are not using NEST.

## 14 Manual Setup – Pension schemes

You will need to set up details of any pension schemes that the company is providing. These can be found on the Pension schemes screen, which can be found by selecting 7. *Company* from the *Main menu* followed by 4. *Pension schemes*.

1. To add a new scheme, press F2 on this screen and choose Add a new scheme.
2. To edit an existing scheme, highlight the scheme, and press Enter to display the full pension details. You can then edit any of the displayed fields.

When you have finished editing a scheme, press F2 to store the details.

### 14.1 Number and Name

These are used by Superpay to identify different schemes within a company. These are not sent to the pension provider and can be set to anything you want.

### 14.2 Provider

Press F7 to choose the pension provider. This is separate from the name above and must be set to the correct provider. Superpay uses this field to choose the correct report for your exports and to separate employees between different providers in companies with multiple pension schemes.

If you have an existing scheme, you do not normally need to complete this field. It is only important for automatic enrolment reports you intend to export from Superpay.

### 14.3 Scheme type

You must indicate whether this scheme is to be used for automatic enrolment and, if not, whether it is a qualifying scheme. An enrolment scheme will be used by Superpay to add employees to a pension scheme during the assessment process. A qualifying scheme is one that meets the qualifying requirements of the new regulations but is not being used for automatic enrolment.

1. To enrol jobholders – Only automatically enrol jobholders. Entitled workers will not automatically join this scheme.
2. To enrol workers – Only automatically enrol entitled workers. Jobholders will not automatically join this scheme.
3. To enrol both – This scheme can be used to automatically enrol jobholders (both eligible and non-eligible) and entitled workers.
4. Qualifying for jobholders – Meets the qualifying requirements of the regulations for jobholders and is not being used for automatic enrolment. Does not meet the standards required for entitled workers.
5. Qualifying for worker – Meets the qualifying requirements of the regulations for entitled workers and is not being used for automatic enrolment. Does not meet the standards required for jobholders.
6. Qualifying for both – The scheme meets the qualifying requirements of the new regulations but is not being used for automatic enrolment. It meets the standards required for both jobholders (eligible and non-eligible) and entitled workers.
7. Non qualifying – The scheme does not meet the qualifying requirements of the new regulations and it is not being used for automatic enrolment.

An employee who is being automatically enrolled will join the scheme with the appropriate *To enrol* type set. An employee who is already a member of a suitable scheme (either qualifying or to enrol) will not be automatically enrolled in another scheme.

Non qualifying schemes have no impact on automatic enrolment.

#### 14.4 Pay interval

If you only have one pay interval in your company (e.g. all weekly or all monthly), you do not need to change this field.

If you have different pay intervals and employees will be enrolled at different rates, set the pay interval of the scheme by pressing F7. Superpay will look for a scheme of an appropriate pay interval when enrolling a worker. You would normally set up multiple schemes if you are changing this field.

#### 14.5 Pension type and Deductions

These are the default contribution rates that will be used for employees that are automatically enrolled in this scheme. Individuals can change their contribution rates once they're a member, these are only the default rates. If the scheme isn't being used for automatic enrolment, these don't need to be completed.

1. The Pension type determines the tax relief and whether the pension is before tax (net pay arrangement), after tax (tax relief at source) or salary sacrifice. If you're unsure, you should ask your pension provider.
2. The contributions are the default contribution rates, which can be either fixed amounts or percentages.

Some examples:

- Pension type – After tax net, Employee – 5%, Employer – 3%

The employee will pay 5% of his earnings after tax to the pension. The employer will contribute 3% of the employee's earnings after tax.

- Pension type – After tax gross, Employee – 1%, Employer – 1%

The employee will pay 0.8% of his earnings after tax to the pension. The employer will contribute 1% of the employee's earnings after tax. The 0.8% figure is arrived at by reducing the gross 1% amount by the basic tax rate of 20%.

- Pension type – Before tax, Employee 200, Employer 1%

The employee will pay £200 before tax to the pension, reducing their tax liability. The employer will contribute 1% of the employee's before tax earnings.

Salary sacrifice should only be used for salary sacrifice schemes that contain both a percentage and fixed employer contribution. If your scheme is not salary sacrifice or only contains a percentage deduction, you can use one of the standard pension types. More details of the salary sacrifice types are available in section 17 (page 39).

#### 14.6 Pay limits

Pay limits are used to limit the range of earnings that pension contributions are calculated on. Note that this is not the same as using payslip headings to restrict pension to certain types of pay, e.g. no

pension contributions on commission; a pay limit will simply restrict the calculation to a range of the pensionable pay.

Press F7 to choose each limit. The pension qualifying limits are the lower and upper limits that are used as part of the assessment process. The NI limits are the LEL and UAP. If you choose one of these, Superpay will use the appropriate values for those bands based on the year the payroll is run.

Pensions using qualifying earnings as the basis should use the pension qualifying limits and not the NI limits. They are currently (2016/17) the same value but they are set by two different bodies and could diverge in the future. If you choose NI limits and The Pensions Regulator later changes the pension qualifying limits to something other than the NI limits, you will have to go through each employee and change their rates individually.

You can select only an upper or lower band if you wish, which will only limit the calculation at the upper or lower end.

#### 14.7 References

These are specific references for your pension provider and will vary for each provider. These are normally set up by the wizard.

## 15 Manual Setup – Payslip headings

There are no new or specific flags for automatic enrolment in the payslip headings but if you haven't already set up a pension in Superpay, you may not have set up the flags properly. These flags control which elements of pay are used to calculate the pensionable gross and assessing workers when running payroll.

If parts of your company's pay are not pensionable, those elements must have a payslip heading and the flags for that heading must be set correctly. If you are unsure which pay should be used for the pension calculation, you must ask your pension provider.

The P flag is used to indicate that this heading is subject to pension. Removing the P from the flags column will remove that pay from the pension calculation.

Any heading with a P flag is treated as assessable as well. Pay that is not pensionable may still be assessable and must have an A flag added instead of the P flag. Assessable pay is defined by The Pensions Regulator and is any element of pay that is:

- Wages
- Salary
- Bonus
- Overtime
- Commission
- Statutory payments (SMP, SSP, etc)

By default, the payslip headings are set up with flags NTPH. The N, T and H are used for national insurance, tax and HP accrual – you must not change these at the same time unless you are sure that the pay should not be subject to one of NI, tax and HP accrual.

For example:

A company has three types of pay - basic pay, overtime and commission. Basic pay and overtime are subject to all normal deductions. Commission is not subject to pension but is subject to tax and NI. Their headings are:

1 – Basic Pay – NTPH

2 – Overtime – NTPH

3 – Commission – NTAH

## 16 Manual Setup – Employee record Page 3

The third page of the employee record is dedicated to pensions and automatic enrolment. The Pensions and Pension events boxes are only needed once an employee is already in a pension. You will only need to fill in the Pension automatic enrolment box before enrolment, unless the employee is a member of an existing scheme.

Depending on your pension provider, you may not need to enter any fields here. It is still important that you check whether you need these fields. Any required fields must be set up before you run the first payroll for automatic enrolment as the details are stored at the time the payroll is run. You cannot come back to an old run and enter the references retroactively; in that case, you would need to undo the payroll, enter the details and run the payroll again.

### 16.1 References

These are specific references for your pension provider and will vary for each provider, similar to the pension scheme references. Any entries that say (Unused) are not used by your pension provider and do not need to be completed.

### 16.2 Preferred scheme

This is only needed when you have more than one automatic enrolment scheme in the company. You do not need to complete this field if you only have one automatic enrolment scheme for jobholders and one automatic enrolment scheme for entitled workers.

### 16.3 Pay reference period

The default value for this default means the employee will use the company settings, which is correct in most cases. You would only need to change this setting if you have employees that share a pay interval but have different pay reference periods, e.g. some monthly staff are salaried for the calendar month and others are paid at the end of the month for work done up to the 20<sup>th</sup> of the month.

### 16.4 Worker for auto enrolment

You should only change this option if you know you need to change it. This is not normally changed from its default value. If an employee is not a worker for automatic enrolment purposes, enter an N here.

The Pensions Regulator defines a worker in full in their detailed guidance and you must check their guidance if you are unsure. A worker is usually a person with a contract of employment or service with a company, written or implied, though it is actually more complex than that. It is not relevant how much a person is earning, whether they will automatically enrol or if they want to join a pension. You should say yes to this question if they are a worker, regardless of earnings. Superpay will handle the assessment when you run the payroll.

Superpay will not do anything auto enrolment related for an employee that is not a worker for auto enrolment.

## 17 Advanced

### 17.1 External assessment

External assessment is any situation where assessment is performed outside of Superpay, with the results entered in Superpay so that it can calculate the contributions. We do not recommend doing this as it is slower than using Superpay's assessment but, if you are, you will need to set the option on the Company record to ensure Superpay does not assess any employees.

When this is set, no employees will be assessed or automatically enrolled. You should still enter the company's staging date and set up a pension scheme if you are planning to export data from Superpay.

You can add pension contribution details to an employee's record on the third page. Select one of the pension contribution boxes and press F7 to edit the details. The contribution rates are set up in exactly the same way as the default contributions for the pension scheme. Once you have entered the pension details, press F2 to store them.

As long as the staging date has been entered, Superpay will process any opt outs that are entered as normal. This is the only way to make Superpay refund pension contributions.

### 17.2 Multiple automatic enrolment schemes

If there are multiple possible automatic enrolment schemes within the company, enter the number of the scheme each employee should join on their employee record. These numbers should match the scheme numbers you have set up on the Pension schemes screen.

If you do not set a preferred scheme number and have multiple schemes, employees will be enrolled on the first appropriate scheme.

For example:

A company has two pension schemes, one for the permanent employees and one for the casual/temporary employees. In Superpay, the permanent scheme is set as pension scheme number 1 and the casual scheme is set as pension scheme number 2. Both schemes are set to enrol all types of employee. This field should be set to 1 for all permanent employees and 2 for the casual employees.

### 17.3 Salary sacrifice

Salary sacrifice pensions should be set up in the same way as a normal pension with both employee and employer contributions. Superpay needs to know the employee element of the pension separately so it can calculate the correct sacrifice.

During run payroll a salary sacrifice pension is converted to an employer only contribution with a total value of the employee and employer rates or amounts entered. The employee's gross pay is automatically reduced by the value of the employee part of the calculation. For example:

An employee is paid £1,500 for the month with a salary sacrifice pension of 1% employee and 1% employer calculated on total earnings. The payroll will be calculated with a £30 employer contribution (£15 + £15), £0 employee contribution and a £15 reduction in gross pay for the employee.

An employee's pay is considered to be lower for all purposes, including average pay calculations. In the above example, if SMP was being calculated based on that period it would use pay of £1,485 and not £1,500.

Statutory payments cannot be sacrificed, which includes all statutory parental pay and SSP. For example, an employee on SMP can't sacrifice any part of their SMP and could only sacrifice any regular or company maternity pay being paid on top of the SMP. Superpay handles this automatically.

## 18 FAQs

### 18.1 Existing qualifying scheme

I have an existing qualifying pension scheme that will continue for current members and a new pension scheme for all automatic enrolment. What do I do with the existing employees? Make sure that you have a pension scheme set up for the old scheme and that all existing members have the scheme number completed on their employee record.

You may need to set up an additional pension scheme for your existing pensions if you have not already done so. The scheme should be set as qualifying for jobholders, workers or both as appropriate.

Make a note of the number of the existing scheme, then go to the third page of the employee record for each affected employee. Select the appropriate pension contribution box, press F7 and change the *Scheme number* field to the number of the existing scheme.

### 18.2 Existing non-qualifying scheme

I have an existing non-qualifying pension scheme that will continue for current members and a new pension scheme for all automatic enrolment. What do I do with the existing employees?

You may set up a pension scheme as above with a type of non-qualifying but that will only be useful for reporting purposes.

An employee who is a member of a non-qualifying scheme will be automatically enrolled in the appropriate default enrolment scheme in addition to their existing scheme. It is up to you and the employee to decide what to do with the contributions and membership of the existing scheme.

For example, if an employee is part of an employee only contribution scheme and is automatically enrolled, they may want to cease membership of the existing scheme as they are now contributing to the other scheme with an employer's contribution as well.

### 18.3 Ongoing SMP at staging date

I have employees being paid SMP and they are not receiving the expected number of weeks in the first payroll since setting up my company for pension automatic enrolment. How do I change the SMP calculation without changing the pension details?

By default, the pay reference period is set as payday. Parental pay is calculated to the end of the pay reference period of the current payslip. Changing the company setting for pension automatic enrolment will also have an impact on any parental pay calculations in the company.

The company setting can be overridden for the parental pay calculation of individual employees. Go to the second page of any affected employee and, in the parental pay box, select *Pay up to* field. Press F7 and change it to Payday. This will override the company setting and calculate the employee's parental pay calculation to the payday instead of the pay reference period.

Employees going on parental leave in the future should not need to be changed similarly. They will have parental pay calculated from the beginning based on the pay reference period and should see no gaps in the number of weeks paid.

## 18.4 Uneven earnings

An employee normally earns below the annual automatic enrolment threshold but is being enrolled this month due to a bonus. Do I need to enrol the employee even though their annual earnings are not high enough?

Assessment of employees is based solely on their pay in the current period. Their earnings over the year are irrelevant and only quoted as a guideline to who will be enrolled. If a weekly employee earns more than the weekly qualifying threshold in one week, they will be automatically enrolled in the pension.

You may want to use postponement of eligible jobholders to avoid these enrolments due to occasional or seasonal spikes in earnings. Details of postponement are available in section 4.2 (page 7) and section 13.4 (page 31).

## 18.5 Employer contribution after drop in earnings

An employee has been automatically enrolled but is now earning below the qualifying limit. Do I still need to pay an employer's contribution for this employee?

Once an employee is a member of a scheme, you must contribute to the scheme until they leave your employment or choose to leave the scheme. You cannot force the employee to leave the scheme.

## 18.6 First assessment after staging

My payroll is a weekly payroll that pays a week in hand. My staging date is on the 1<sup>st</sup> and the first payroll after this date is on the 3<sup>rd</sup>, which covers the week of 23<sup>rd</sup> to 29<sup>th</sup>. Why is Superpay assessing employees on this payroll that covers a period before the staging date? Assessment is based solely on when payments are made, not when the work was completed. If you are paying your employees on or after the staging date, they must be assessed on those earnings; it doesn't matter if the work covered was in the current week, next week, previous week or previous month.

## 18.7 Opt in with insufficient earnings

An employee has opted in but there is an error during the next run that says the employee has not been paid enough to opt in. Why is the opt in not being processed?

When an employee opts in, you must assess them on that date to ensure that they are still a jobholder (eligible or non-eligible). If the employee is not a jobholder anymore, the opt in is no longer valid. This check is performed because the employee may have been told of their opt in rights a long time ago and may not have the same level of earnings now.

The employee may still want to join a pension scheme as an entitled worker. In that case, you must enter a join notice instead of an opt in. We do not assume that the opt in will enrol the employee in the default entitled worker scheme as that may have different contribution rates.

## 18.8 Annual employee

An employee is paid annually in March but the company is staging in September. How will I assess the employee?

For Superpay to assess the employee, a payslip must be run. You can change the employee's pay interval to monthly, pay them zero pay on the staging date and then change them back to annual. They will be assessed again when you run the annual March payslip.

Alternatively, you can manually assess the employee and not do the assessment through Superpay. If you do this, the employee will not appear in any of Superpay's automatic enrolment exports as they have not been assessed through Superpay.

You should check that the annual employee is a worker as this often occurs with people who are not considered a worker for auto enrolment purposes.

### 18.9 Assessed on a future date

An employee is being paid on the 14<sup>th</sup> of the month but being automatically enrolled on the 17<sup>th</sup>. Why is the employee being assessed on a date after the payroll date?

Superpay assesses employees to the end of the current pay reference period, not just to the payday. An employee is assessed on their 16<sup>th</sup> and 22<sup>nd</sup> birthdays, which may give a different result than an earlier assessment with the same earnings.

For example, an employee turns 22 on the 17<sup>th</sup> of the month and the pay reference period is 1<sup>st</sup>-31<sup>st</sup>. The employee is paid on 14<sup>th</sup> but that payroll run includes all assessment dates up to the 31<sup>st</sup>. The employee's 22<sup>nd</sup> birthday is an assessment date and will be assessed during the run on the 14<sup>th</sup>. This is to ensure that assessment is not left so late that there is insufficient time to send the required information to the employee.

If the employee was next paid on the 30<sup>th</sup> of the following month, a month and a half has already passed before the assessment was performed within Superpay.

### 18.10 Edit pension events not available

When I press F2 on an employee record, the option to edit pension events is not in the list. How do I add an event?

The option is only shown if you have entered a staging date in the company record and you have entered Superpay with a date on or after that staging date. The current Superpay date is shown at the top right of the screen at the main menu.

### 18.11 Join while earning below scheme lower limit

My employee has handed in a join notice, which I have entered in Superpay correctly. The next payroll is showing a message that the employee has joined a pension scheme but no pension contributions are being calculated. Why has the employee not contributed anything?

If the scheme is set up with a lower limit on pension contributions, employees may be members of the scheme and not contribute anything. Check that the employee is earning above the lower limit of the pension scheme in the current period.

### 18.12 Opt out refund with before tax pension

My pension scheme has a before tax contribution. An employee has opted out after a few weeks of contributions and received a refund. Why is extra tax being calculated above their normal deduction?

A before tax refund increases the employee's taxable gross, which will lead to an increase in their tax liability that payslip. The employee avoided paying that tax when the pension contributions were first taken as their taxable gross was reduced. If they are now receiving that money, they owe the tax on that payment as if it was normal pay. This may lead to unexpected results, particularly for employees on a week 1/month 1 tax code.

### 18.13 No default pension scheme

The message 'No default pension scheme for eligible jobholders has been set up.' appears when I am trying to run payroll.

Superpay will try to automatically enrol any eligible employees when running payroll and this message means that you haven't set up Superpay for automatic enrolment yet. If you see this message you have a person that needs to join a pension. If you have a pension scheme in place, set up Superpay for automatic enrolment. If you don't have a pension scheme yet, you need one now.

If you have an existing one in place and are not expecting to see this message then you may not have set up the existing scheme correctly. See the instructions above or contact Superpay support if you need help.