

# **IRIS Payroll Business**

Getting Started Tutorial -Configuring Pay Elements

18/02/2014



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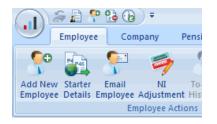
# Getting Started Tutorial – Configuring Pay Elements

The Getting Started Tutorials are designed to guide you through common payroll tasks using step by step instructions.

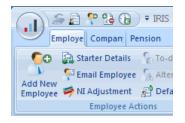
Remember there is a **Help** button on most screens, which will always give assistance specific to that task.

In these tutorials we assume that the **Ribbon** is fully expanded, (i.e. taking up the whole of your screen) so you should be able to see the buttons and groups in full. If not, you may need to click on the group to see the buttons within it. For example:

#### **Maximised screen**



#### **Minimised screen**



# **Use the Demonstration Company**

You will be using the **Demonstration Company** for this tutorial.



# Configuring pay elements

In the payroll, gross pay is made up of **Salary**, **Hourly Rates**, **Payments and Deductions**, **Attachment of Earnings Orders**, **Pensions**, **Loans**, and the statutory payments **SSP**, **SMP**, **OSPP**, **ASPP** and **SAP**. This tutorial explains how to configure all of these except the statutory payments – for assistance with these please see the **How To Guides** on the **Help** tab.

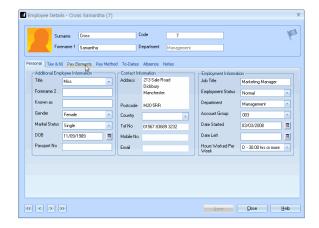
# Salary

Salary is the only pay element that is not configured at company level. It is set up in each individual employee's details.

To set up a weekly **Salary** of £500 for employee Samantha Cross: doubleclick '**7 Cross, Samantha**' in the **Selection Side Bar**.



Select the '**Pay Elements**' tab within her **Employee Details** screen.



The **Salary & Rates** tab opens automatically. Salary information is located at the top of the **Salary & Rates** tab. (You can enter an amount in either the **Period** or the **Annual** box. Whichever you choose, the system will calculate the other value for you.) Enter a new **Period** salary of £500. Click '**Save**', then '**Close**'.

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## **Hourly Rates and Overtime Factors**

Set these up at company level first, and then assign them to employees.

To create a new 'Administration' **Hourly Rate** at company level, click on the '**Company**' tab then the '**Hourly Rates**' button.

The Hourly Rates and Overtime Factors screen opens:

One rate, **Basic**, is automatically set up in every company. In the **Demonstration Company** several more have been added.

Click the 'Add New' button to open the Create Pay Rate screen.

In the Name field, enter 'Administration'

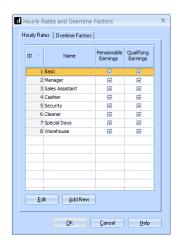
Tick '**Qualifying**' to make this part of Qualifying earnings and if required, tick the '**Pensionable**' box to make this rate part of pensionable pay

Click 'OK' and the new Hourly Rate is added to the list

Clicking the **Overtime Factors** tab allows you to see the five factors which are automatically set up in every company. You can amend any of these or add a new one.

Click 'Cancel'.

To assign the new **Hourly Rate** to Samantha Cross, who is paid £10 per hour as an administrator, double-click '**7 Cross, Samantha**' in the **Selection Side Bar**.









Select the '**Pay Elements**' tab within her **Employee Details** screen.

The **Salary & Rates** tab opens automatically. **Hourly Rates** and **Overtime factors** are entered in the main grid on this screen. To add the new **Hourly Rate**: click on the word '**None>**' in the grid, underneath the second **Manager** rate. Click the arrow that appears.

A list of available rates drops down: select 'Administration'.

In the **£/Hour** column enter 10.00. Click '**Save**', then '**Close**'.

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ID 🔺	Hourly Rates		£ / Hour	Hours	(
2	Manager		12.820	5 0.00	Ba
2	Manager		12.820	5 0.00	0١
	<none></none>	-			
	<none> Basic</none>				
	Manager Sales Assistant Cashier				
	Security Cleaner Special Days				
	Warehouse Administration				

Salary & Ra	ates Pay Deds AE	0 Pensions	Pension Refs Lo	bans
Period	500.0	00 Annual	26000.1	00
ID 🗡	Hourly Rates	£ / Hour	Hours	0
2	Manager	12.820	5 0.00	Bas
2	Manager	12.8205	5 0.00	Ονε
9	Administration	10.0000	0.00	Bas
	<none></none>	2		

**Please note**: If the employee always works the same amount of hours at a particular rate, you can enter those hours in their **Salary & Rates** tab, and you will not have to keep entering them during the **Enter Variations** process.



# **Payments and Deductions**

Create these at company level first, and then allocate them to employees. There are many different types of **Payments and Deductions** and although this tutorial deals with only one, the basic process remains the same for all of them. For further detail see the **Manual** on the **Help** tab.

To set up a new 'Additional Bonus' **Payment** at company level: click on the '**Company**' tab then the '**Payments & Deductions**' button, and then select '**Configure Payments & Deductions**'.

Click 'Add New'

 6
 Private Medical
 Deduction

 7
 SSP/SMP Contra
 SSP Contra

 8
 Salary Correction
 Payment

 9
 Savings
 Deduction

 15
 Season Ticket Loan
 Loan

Create Payme	nt/Deduction	x				
-Edit Payment/De	duction	ſ				
ID:	New					
Name:	Additional Bonus					
Туре:	Payment 🗾					
	Hide from Payslip					
Tax & NI Basis:	🗸 Taxable 🔽 NIable 🔲 Notional					
	Pensionable Qualifying Earnings Earnings					
	Benefit in Kind					
Method:	Value Options					
Rate:	-					
<u>S</u> ave	<u>D</u> K <u>C</u> ancel <u>Help</u>	)				

Enter the **Name** 'Additional Bonus' for your **Payment**, which will appear on your payslips and reports.

Click on the drop down arrow next to **Type** and select **Payment**.

**Please note**: The **Type** you select controls the other options that appear on screen.

For this example, make sure the **Taxable**, **NIable**, **Pensionable Earnings** and **Qualifying Earnings** boxes are ticked. Leave **Method** as **Value**.

Click '**OK**' and the new payment or deduction appears in the grid. Click '**OK**' again to close the grid.

To allocate the new **Payment** to Samantha: double-click '**7** Cross, Samantha' in the Selection Side Bar.

Click her 'Pay Elements' tab then the 'Pay Deds' tab.

Click on the word '**None**>' in the grid, and then click on the arrow which appears.

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ID	4			N	ame			Stand
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		Sala	ry Corre ngs	ction			•	

The drop down list shows all the **Payments & Deductions** available. Select '**Additional Bonus**' and the rest of the row will be completed for you.

ID	4	Name	Standard Amount	Year To-date	Туре
	21	Additional Bonus	0.00	0.00	Payment
		<none></none>			

### www.iris.co.uk/customer



**Please note**: In this tutorial, the **Standard Amount** is zero so we can enter a new amount each time in **Enter Variations**. If you want the same amount to be paid each time, enter it here.

Click 'Save', then 'Close'.

For more detailed help on setting up **Payments and Deductions**, click the **'Help**' button on the screen, or press **F1** on your keyboard.

### **Attachment of Earnings Orders**

These also need to be set up at company level then allocated to employees. There are several types of **Attachment of Earnings Orders** (**AEO**); this tutorial deals with only one but the process is similar for all. For more detail see the **Manual** on the **Help** tab.

For this example we will create a second council tax deductions **AEO**. First, we'll create it at company level then apply it to employee Samantha Cross.

Click on the '**Company**' tab then the '**Payments & Deductions**' button, then select '**Configure Attachment of Earnings Orders**'.

Five default AEOs are created automatically for you in each company.

To create a new one, click 'Add New'

Enter 'Council Tax 2' in **Name**. Leave the **Type** as **Council Tax**.

Click OK then Close and the attachment will be added to the list.

Next, allocate the new **AEO** to the employee: double-click '**7 Cross**, **Samantha**' in the **Selection Side Bar**.

Click her '**Pay Elements**' tab and then the '**AEO**' tab.

Click on the word '**None**>' in the grid, and then click on the arrow which appears.

The drop down list shows all the **AEOs** created at company level. Select the 'Council Tax 2' **AEO** and the rest of the row will be completed for you.

ne list.			
ie list.	Code	Δ	Name
	1		Dutton, Kaye
	2		Brown, Dawn
7 Cross,	3		Rushton, Graham
	4		Gold, Susan
	5		Helmrich, Hugh

8

<u>OK</u>

Configure Attachment of Earnings Orders

Туре

ent (Scotland)

Close <u>H</u>elp

Cancel Help

Jugovic, Adrianna Cross, Samantha Akhtar, Hirishita

Malone, Michael

-

Council Tax

Earnings Ar

DEO (CSA)

Admin Fee

ty Or

ID A

16 Council Tax 17 Earnings Arrest

19 Priority Orde

Edit Add New

ID: New

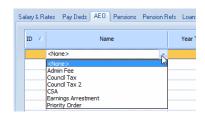
Name: Council Tax 2

Save

Create Attachment of Earnings Order

20 Admin Fee

18 CSA







**Please note**: With **Council Tax** orders the system calculates the correct deductions for you, but you must record details of the order by clicking the **'Edit**' button at this point.

Click the 'Save' button, and then 'Close'.

For more detailed help on setting up **Attachment of Earnings Orders**, click the **'Help**' button on the screen or press **F1** on your keyboard.

#### Pensions

Set these up at company level then allocate them to employees. There are many types of **Pension**; although this tutorial deals with only one the process is similar for all. For further details see the **Manual** and also the **Pensions Guide**. The **Pensions Guide** gives detailed information on **Auto Enrolment**.

To create a **Pension** at company level: click on the '**Pension**' tab, then select '**Configure Pensions**'.

Click on the 'Add New' button.

11	Pension EE Pension ER	Normal Pension (With Tax Relief)	Percentage		
	Pansion EP		rercentage	Employee	Annually
12 0	i cholori ci c	Normal Pension (With Tax Relief)	Percentage	Employer	Annually
12.	Stakeholder EE	Personal Pension Plan/Stakeholder	Value	Employee	Annually
13 9	Stakeholder ER	Personal Pension Plan/Stakeholder	Value	Employer	Annually
14	AVC	AVC (With Tax Relief)	Value	Employee	Annually

Type the **Name** of the **Pension** as 'AVC 2'.

Click on the drop down arrow next to **Type** and select **FSAVC** (Without Tax Relief) from the list.

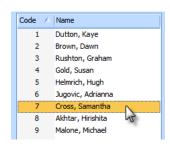
Leave the other options as they are, then click 'OK'.

The new Pension appears in the list – click '**Close**'.

To allocate the **Pension** to an employee: double-click **'7 Cross, Samantha**' in the **Selection Side Bar**.

Click her '**Pay Elements**' tab, then the '**Pensions**' tab

🐉 Create Pension	x
Pension	]
ID:	New
Name:	AVC 2
Type:	FSAVC (Without Tax Relief) 📷
Method:	Value x by Periods Paid
Contribution:	Employee
Standard Amount:	0.00
Clear Totals:	Annually
Pension Fund:	<none></none>
	Subtract Basic Rate Tax
Save	<u>OK</u> <u>C</u> ancel <u>H</u> elp





Click on the word '**None**>' in the grid, and then click on the arrow which appears.

The drop down list shows all the **Pensions** created at company level.

alary&Rates PayDeds AED				
Worker Status	<none></none>	- E	Deferral Date	
Opt-In/Join Date	Ħ	C	Bpt-But Date	
Pension Fund	(None) ·	0	Opt-Out Reference Number	
Automatic Enrolment Date	Π	F	Pension Information Provided	
Member of Qualitying Scheme	Works outside of	ик 🖻 с	Contributions Ceased Date	
ID 🗡 Name	Standard Amount	Year To-date	Type	Reference
<none></none>	Ň			
<none> AVC</none>				
AVC 2				
Pension EE				
Pension ER				

**Please Note:** for further information regarding the many fields on this **Pensions** tab card, please see **Help | Pension Guide** 

Select the 'AVC 2' **Pension** and the rest of the row in the grid will be completed for you.

10	0	Δ	Name	Standard Amount	Year To-date	Туре	Reference
		23	AVC 2	0.00	0.00	FSAVC (Without Tax Relief)	
			<none></none>				
1							9

**Please note**: For the purpose of this tutorial, we want to be able to enter a new amount each time in **Enter Variations**, so leave **Standard Amount** at zero. If you want the same amount to be deducted each time, enter it here.

Click 'Save', then 'Close'.

For more detailed help on setting up **Pensions**, click the **'Help**' button on the screen or press the **F1** key on your keyboard. For detailed help on **Auto Enrolment**, click the **Help** menu then **Pensions Guide**.



### Loans

Loans again need to be set up at company level first, and then allocated to your employees.

They are set up like a normal **Payment/ Deduction** (see previous section) with **Type** set to **Loan** but are allocated to employees in a slightly different place.

To allocate a Loan to an employee: double-click '7 Cross, Samantha' in the Selection Side Bar.

Click her '**Pay Elements**' tab then the '**Loans**' tab.

Click on the word '**None**>' in the grid. Click on the drop down arrow, and the list shows all the **Loans** created at company level.

Select **Season Ticket Loan** and the rest of the row in the grid will be completed for you.

Click the 'Edit' button.

Enter the details of the loan into the **Create Season Ticket Loan** screen.

Enter today's date in the **Issue Date** field

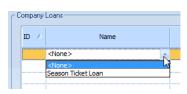
**Deduction Amount** is the amount you want to deduct each pay period: enter '25.00'.

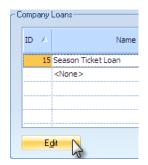
**Original Amount** is the full amount of the original loan: enter '1000.00'.

**Outstanding Balance** is how much the employee has left to pay: enter '1000.00'.

**Year-To-Date** is what they have paid towards the loan so far. This field is populated as you **Calculate** and **Finalise** each payroll.

Click '**OK**', then '**Cancel**'.





1	Create ' Season Tic	ket Loan '	x
	- Options		
	Issue Date:		
	Deduction Amount:	0.00	
	Original Amount:	0.00	
	Outstanding Balance:	0.00	
	Year To-date:	0.00	
	Agency/Beneficiary:	<none></none>	
	BACS Reference:		
	<u>S</u> ave	<u>D</u> K <u>C</u> ancel	<u>H</u> elp



# **Further Information**

For more information about **Pay Elements**, click the **'Help**' button on any of the **Pay Elements** screens.

More **Getting Started Tutorials** can be found on the **Help** tab.

If you encounter any difficulties, please visit **www.iris.co.uk/contactsupport** 

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## Software available from IRIS

**IRIS Payroll Basics** Free, RTI compliant payroll software for companies with fewer than 10 employees

**IRIS Payroll Business** Intelligent, easy to use payroll software for smaller businesses

#### **IRIS Payroll Professional**

Flexible payroll software for medium sized businesses

IRIS Bureau Payroll Intelligent management for multiple payrolls

**IRIS OpenPayroll** Cloud-based UK payroll software – accessible from anywhere on PC, Mac or tablet

#### **IRIS P11D**

The easy way to complete employee expenses and benefits returns

#### **IRIS HR Manager**

The easy way to keep employee data up-to-date

#### **IRIS OpenPayslips**

A secure web based solution that allows your employees to access and download their e-payslips via an online portal

#### **Stationery order line**

0844 815 5656

#### **HMRC online service helpdesk**

Tel: 0300 200 3600 Fax: 0844 366 7828 Email: helpdesk@ir-efile.gov.uk

#### **HMRC** employer helpline

Tel: 0300 200 3200

#### HMRC employer helpline (for new business)

Tel: 0300 200 3211

#### Support

Tel: 0844 815 5661 (option 4) Fax: 0844 815 5665 Email: ipsupport@iris.co.uk

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