

10 reasons to choose payroll for auto enrolment (over third party systems)

Streamline your payroll process and avoid costly, complex third party solutions for auto enrolment.

About IRIS

With 30 years' experience, IRIS provides business critical software and services to the UK SME sector and accountants in practice. Over 53,500 small and medium-sized companies including 15,500 accountancy practices rely on IRIS every day to run their business and collaborate, with around 82,000 end-users subscribing to IRIS cloud solutions.

IRIS Software Group is the number one solution provider for RTI and its software pays 14 percent of UK businesses that operate under PAYE. All customers receive the greatest choice of RTI payroll software and services managed under the brands IRIS and Earnie.

There are specific duties that must be undertaken and completed and this must be done during every single payroll run.

With 1.8 million businesses staging between 2015 and 2018, the numbers seeking support and advice about the legislative transition will increase considerably.

Call: **0843 357 1802 for IRIS Payroll**
0844 815 5677 for Earnie Payroll

Email: sales@iris.co.uk
earniesales@iris.co.uk

Visit us: iris.co.uk/autoenrolment

Legal information

This information doesn't constitute financial, investment or professional advice and shouldn't be relied on as such.

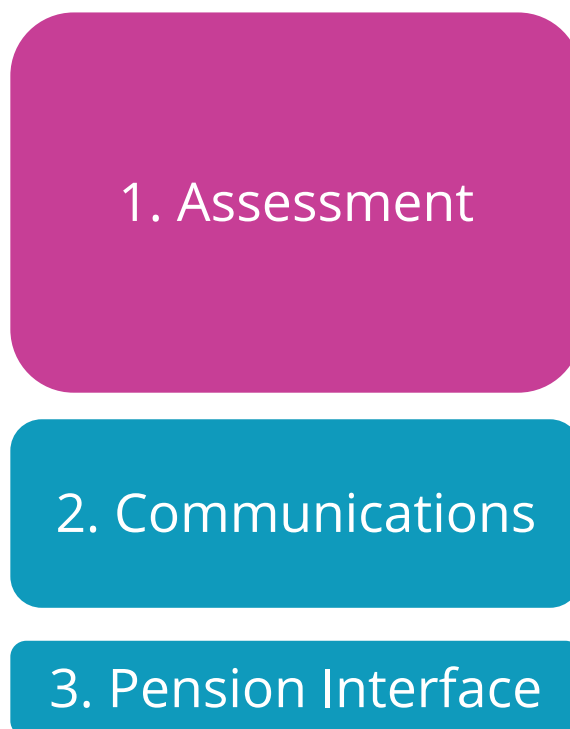
IRIS do not make any personal recommendation or give advice to employers and their workers on how to make investment decisions. If you are seeking this kind of advice we would suggest speaking with a qualified financial adviser.

IRIS Auto Enrolment Approach

The Pension Regulator Process



3 IRIS Software Automation Steps



The IRIS auto enrolment approach is broken down into the three main areas of auto enrolment; Assessment, Communications and the Pension Interface.

These three main areas of auto enrolment go along with The Pension Regulator's suggested process detailed above.

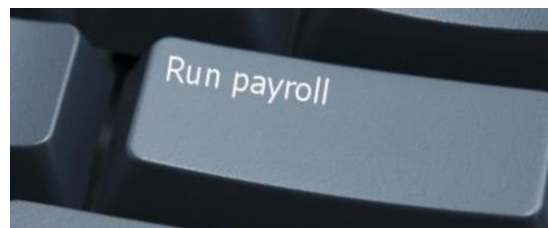
Running your auto enrolment process within your payroll is the most logical solution. This is because the majority of information needed to assess your employees already exists within your payroll. Exporting this data out of your payroll will require you to run your payroll first so that you are using the most accurate, up-to-date figures.

Running your auto enrolment process within your payroll means that you do not need to go through various different cycles of exporting and importing data.

Ten reasons to choose the payroll for auto enrolment

1) Auto enrolment is automated when you run payroll

- Auto enrolment assessment is fully integrated into your payroll software. This means that there is no exporting and importing of data to third party solutions because all of the information you need to run assessment of your employees is ready for you.
- Once the auto enrolment solution is configured, payroll and auto enrolment processing occurs automatically every payroll run – no extra steps within your payroll process (apart from submitting the pension output file to your pension provider).
- No user input is required in the assessment process which means that there is no potential for error.
- Your business is compliant every payroll run through the different aspects of employee assessment, pension communications and pension output files.
- The IRIS auto enrolment solution is scalable: no extra time or resource is required to run auto enrolment (e.g. 00's companies or 000's of employees).
- Third party assessment is an entirely separate process that needs to be manually uploaded for each company (or client if you are an accountancy practice) at various times depending on postponement.
- Postponement is automatically defined until the next payroll period to allow for the contributions to be processed in the next payroll run
- Removing the flexibility of postponement reduces the high risk that an error could be made and the auto enrolment is not compliant.



Ten reasons to choose the payroll for auto enrolment

2) Assessment automatically works out Qualifying Earnings and Pensionable Earnings

Pay Element	Qualifying Earnings	Pensionable Earnings
Salary	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Statutory Maternity Pay	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statutory Paternity Pay	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Shared Parental Pay	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statutory Adoption Pay	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statutory Sick Pay	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Holiday Pay	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Doctor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Nurse	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Surgeon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Porter	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Consultant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Administrar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Matron	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cleaner	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mortician	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Midwife	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pharmacist	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Bonus	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expenses	<input type="checkbox"/>	<input type="checkbox"/>
Lottery	<input type="checkbox"/>	<input type="checkbox"/>
Net to Gross	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The only way to calculate the correct number and be compliant is to complete this calculation from the payroll (IRIS AE Suite™).

Assessing your employees' pensionable and qualifying earnings is done automatically within the IRIS AE Suite™. If you were to do this process manually, you would have to work out which earnings are pensionable for each employee separately, which could take a very long time.

3) Postponement handled properly

Postponement is something that can be done by an employer to push back when an employee will be auto enrolled. The IRIS AE Suite™ will handle this for you and ensure that you are compliant and also postponing the right people for the right amount of time.

Step 9 - Postponement Period

Postponement at Staging Date and for New Starters

You can configure a Postponement Period to apply at Staging Date or for new starters. The Postponement Period allows you to delay automatic enrolment assessment for up to three months.

At Staging Date/employee's Start Date, all employees can be postponed for up to three months irrespective of their Worker Status.

Postponement Period

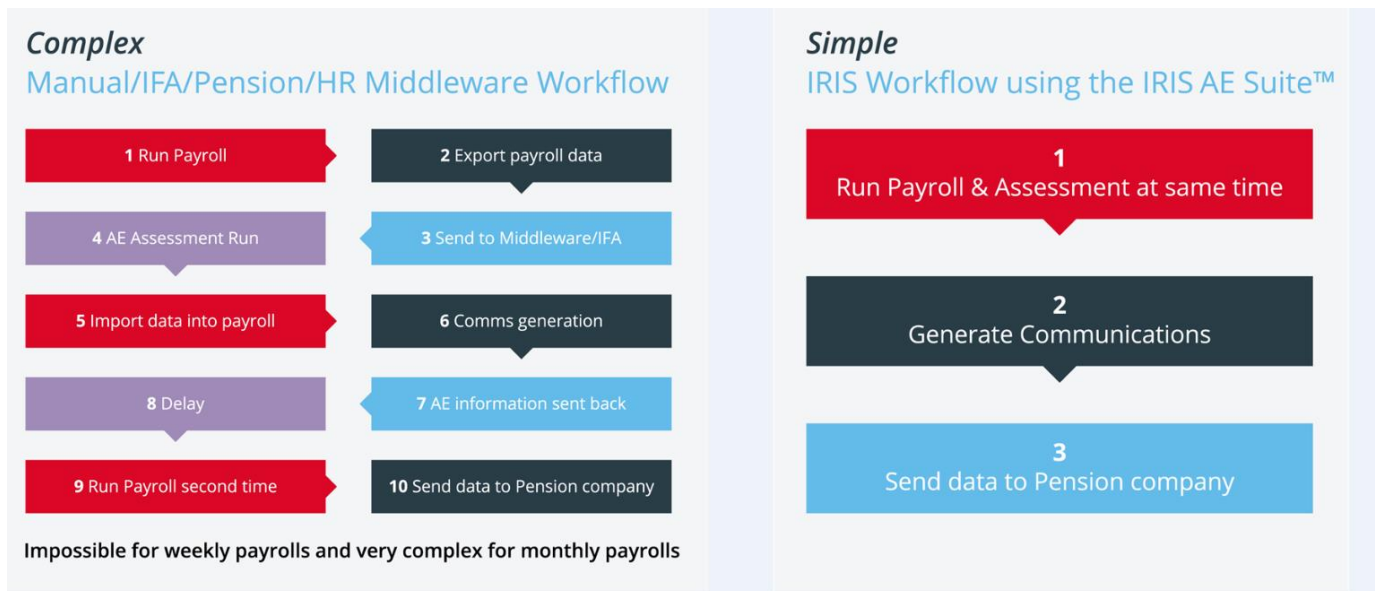
Postponement for Eligible Jobholders

You can configure a Postponement Period to apply to an employee that becomes an Eligible Jobholder. The Postponement Period allows you to delay automatic enrolment assessment for up to 3 months.

Postponement Period

Ten reasons to choose the payroll for auto enrolment

4) Simplify your payroll process



As you can see from the tables above, the previously mentioned 3rd party or middleware provider process contains a lengthy, tricky process that requires you to run your payroll twice. The IRIS AE Suite™ allows you to run your auto enrolment assessment within your payroll and then subsequently generate the required payroll, P60 and pension letters as well as generating the pension output file.

Simplifying your payroll process will reduce the amount of time it takes for you to run your auto enrolment process allowing your more time to concentrate on other, more business-centric tasks.

The simplified process on the right only adds one further step to your auto enrolment process and that is simply to export and upload the pension output file to your chosen pension provider. As of Winter 2015* the IRIS AE Suite™ will be supportive of NEST Web Services, which will allow you to upload your pension output file directly to NEST **within the IRIS AE Suite™ itself.**

*Correct at the time of printing and may be subject to change

Ten reasons to choose the payroll for auto enrolment

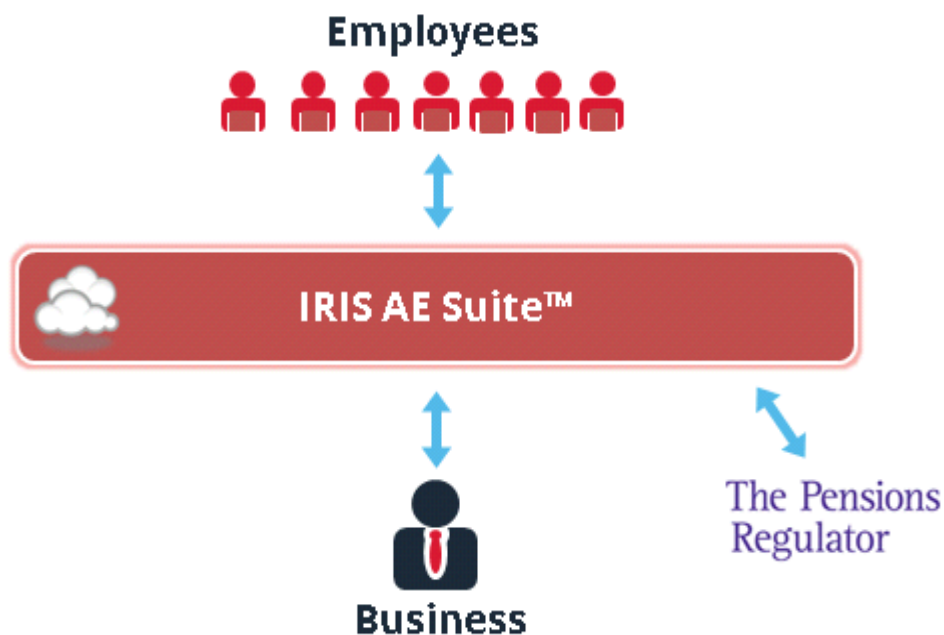
5) Save 3.5 days per payroll run on auto enrolment

Auto enrolment procedure Time burden (man days); frequency	CEBR survey days	IRIS AE Suite days
Know your staging date and auto enrolment process Up to 10 days; one-off	10	10
Nominate a point of contact Up to 8 hours; one-off		
Develop a pension plan Up to 20 days; one-off	20	20
Construct the designated communications Up to 5 days; one-off	5	0
Liaise with payroll provider Up to 6 days; one-off	6	0
Put in place adequate business processes Up to 30 days*; one-off	30	0
Choosing a pension scheme for auto enrolment funds Up to 9 days; one-off	9	9
Set-up pension scheme / liaise with pension provider Up to 3 days; one-off and monthly	3	3
Classify workers into categories Up to 5 days; one-off and monthly	5	0
Auto enrol eligible employees Up to 4 days; one-off and monthly	4	0
Process opt outs, opt ins and joining requests and process automatic re-enrolment after three years Up to 6 days; one-off and monthly	6	0
Addressing staff queries about auto enrolment Up to 3 days; one-off and monthly	3	3
Register with The Pensions Regulator Up to 5 hours; one-off		
Keeping auditable records Up to 10 hours; monthly	1	0
Keeping up with new auto enrolment rules and procedures; Up to 8 hours; monthly	1	1
Total one-off time burden Up to 103 man days	103	46
Total monthly recurring time burden Up to 3.5 man days	3.5	0

Source: CEBR (Centre for Economic and Business Research)

Ten reasons to choose the payroll for auto enrolment

6) Automate distribution of payslips, P60s and pension letters



The automated distribution of payslips, P60s and pension letters means that you could save up to £1.75 per payslip, per payroll period. This is because you will no longer have to print, sort and send the documents as they are automatically produced and delivered to the employee's online portals with the click of a button within the IRIS AE Suite™.

Automating this distribution means that you do not have to worry about remembering to do it manually. This is a legally required aspect of your auto enrolment responsibilities which means that forgetting to do it or getting it wrong could lead to your businesses being non-compliant with auto enrolment and therefore incurring a fine.

There are **four** legally required pension letters that must be sent out at various different stages in an employee's auto enrolment journey. This means that you should be sending out communications to the correct employee at the correct time depending on their auto enrolment status. Failure to do so means again that you are non-compliant and likely to incur a fine.

Ten reasons to choose the payroll for auto enrolment

7) Smartphone App

Two thirds of people (in the UK) now own a smartphone, using it for nearly two hours every day to browse the internet.

<http://consumers.ofcom.org.uk/news/uk-now-a-smartphone-society/>

- 33% of internet users see their smartphone as the most important device for going online – only 30% prefer their laptop
- Take up in 55-64 year olds has been vast – rising from 19% to 50% since 2012
- More people are becoming tech savvy
- More people are using their smartphones
- [Why are electronic payslips the future – Infographic](#)

The IRIS OpenPayslips app for employees allows them 24/7 access of their payslips, P60s and legally required pension letters.

Using this solution not only works with your IRIS AE Suite™ but also helps to reduce the amount of cost and time it takes for you to print, sort and send payslips, P60s and pension communications.

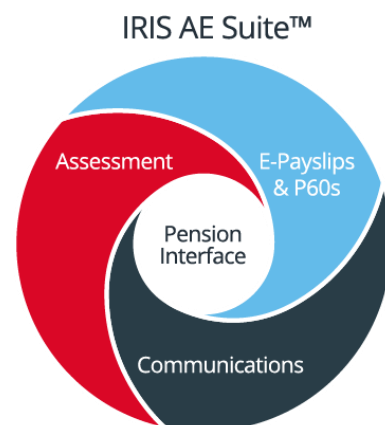
Your employees also find IRIS OpenPayslips extremely beneficial because it means that they can quickly integrate the receiving of their payslips into their daily life. It also gives them the peace of mind that they are receiving their payslip via a secure, online portal that will ensure they have all of their payslips in a safe place. Payslips, P60s and pensions communications can be printed by the employees for use with loan or mortgage applications for example.



Ten reasons to choose the payroll for auto enrolment

8) 5,000+ customers use IRIS AE Suite™ for assessment, communications and payslip delivery

- Auto enrolment assessment in payroll
- Pension interfaces
- Online (cloud) based employee communications
- Smartphone, tablet & web based payslip and pension letter delivery



9) Avoid non-compliance fines

Retain data six years
audit flow

The Pensions
Regulator

As daunting as it may sound, The Pensions Regulator will issue fines for non-compliance with the Workplace Pension Reform.

Number of Employees	Daily Non Compliance Fine
500 +	£10,000
250 - 499	£5,000
50 - 249	£2,500
5 - 49	£500
1 - 4	£50

- **Fixed fine** - if employer doesn't comply, the regulator issues warning and a fine of £400.
- **Daily fine** - where the employer continues to break the regulations, there will be a fine for each day, with the penalty increasing until the company complies. Daily amount depends on the number of the employees:

Ten reasons to choose the payroll for auto enrolment

10) IRIS AE Suite™ is superior to 3rd party solutions

	IRIS	3rd Party
Auto enrolment Assessment	✓ Automatic	✗ No distinction between Pensionable Pay and Qualifying Earnings. All Earnings are counted as one or have to be manually calculated
Calculation of Qualifying Earnings and Pensionable Pay	✓ Automatic	✗ Manual
Configurable postponement	✓ Configurable for: New starters Those becoming Eligible Jobholders	✗ Defined by 3rd Party to allow for importing data into Payroll
Auto enrolment Communications	✓	✓
Digital Cloud Electronic payslips	✓	✗
Smartphone/ Tablet App	✓	✗
Time to run payroll	✓ negligible additional processing time per payroll run	✗ 2x Resource and/or Up to a day to process single payroll
No risk of processing non-compliant payroll	✓	✗ Non compliant If operator misses any manual steps. ✗ Postponed employees are assessed on the previous payroll period NOT on deferral date
Published statistics	5,000+ Customers & 500,000+ Employees	Unknown
Auto enrolment training	~ 5,000+ Course places sold & largest provider of AE training in UK	Unknown

Ten reasons to choose the payroll for auto enrolment

Summary

1. Auto enrolment is automated when you run payroll
2. Assessment automatically works out Qualifying Earnings and Pensionable Earnings
3. Postponement handled properly
4. Simplify your payroll process
5. Save 3.5 days per payroll run on auto enrolment
6. Automate distribution of payslips, P60s or pension letters
7. Smartphone app
8. 5,000+ customers use IRIS AE Suite™ for assessment, communications & payslip delivery
9. Avoid non-compliance and/or fines
10. IRIS AE Suite™ superior to 3rd Party

The IRIS AE Suite™

The industry's leading auto enrolment solution

Auto enrolment legislation and communications is very complex. Here at IRIS we have developed the industry's most comprehensive auto enrolment solution; the IRIS AE Suite™.

The IRIS automatic enrolment solution has been adopted by over 2,700 organisations assessing 556,000 employees.

This comprises of three elements; assessment, communications (pension letters) and electronic payslips and P60s.

Employees no longer just require payslips and P60s, they require additional pension communications delivered at key stages.

Effortless Communications

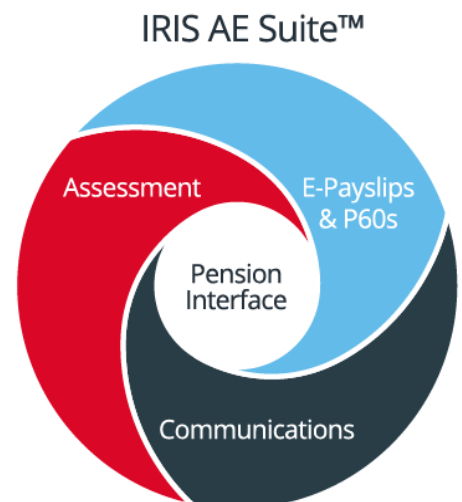
The IRIS AE Suite™ takes care of your communication requirements, removing the administration. It allows you to:

- Produce relevant automatic enrolment communications and deliver them directly to your workforce
- Access audit facilities for producing compliance evidence
- Print and deliver electronic and paper payslips and P60s

Electronic Payslips and P60s

You can view your payslips and P60s wirelessly via:

- Your smartphone or tablet
- Your laptop/desktop PC
- Secure online employee portal accessed via email



"Can't imagine why any company wouldn't invest in the IRIS AE Suite™. It is the whole package, our auto enrolment process is so streamlined."

Carol Arrowsmith, Payroll Administrator of Taylor Bloxham Ltd

Book a Free Demo

Call us now on **0844 815 5772**

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