

# Staged? 5 ways to ensure ongoing auto enrolment compliance

You have already staged but are you definitely compliant with the legislation and is your process as streamlined as it could be?

# Background to automatic enrolment

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Now that you have staged you may think that your auto enrolment journey has come to an end. However this couldn't be further from the truth.

Your "Staging date" is literally just that, your day to take to the auto enrolment stage and now you must continue complying with your duties.

You must continue to assess and pay in to your employee's workplace pensions each payroll run.

In addition to this, it is also required that you remain compliant with the legislation when reaching your re-enrolment date.



There are also many things to consider now that you have staged, too. With many businesses staging in the early parts of auto enrolment, many of the solutions that exist today, weren't available then. Technology and software has moved on since then and it is important that you now take the time to review your processes. Undertaking this could save you a vast amount of time and money because with technology developing, there are more streamlined ways to run auto enrolment.

Auto re-enrolment is approximately three years after your initial auto enrolment date and there are many things that you have to do to remain compliant including resubmitting your declaration of compliance and re-enrolling those employees who initially opted-out.

## Legal information

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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.

# 1) Completing your declaration of compliance

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Don't be fooled – just because you have reached your staging date doesn't mean that you have fully complied with your auto enrolment responsibilities.

When you have staged and have undertaken all of the aspects of auto enrolment that you are supposed to, you have to submit a Declaration of Compliance to The Pensions Regulator (TPR).

This document is your opportunity to shout about your compliance and if you do not submit this document, you could face **finest of a £400 fixed penalty notice and up to £10,000 per day dependant on the amount of employees that you have**. TPR explain that the main reason for them issuing fines is down to businesses not submitting their Declaration of Compliance on time.

You should have been completing your Declaration of Compliance throughout your entire auto enrolment preparation process to help make it much easier, rather than leaving it all to the last minute to get through.

If however you have not yet completed your Declaration of Compliance then do not panic. The **deadline** for submitting your Declaration of Compliance is **five months after your staging date** so you still have time. So for example, if you staged on 1<sup>st</sup> April 2015, you have until 1<sup>st</sup> September 2015 to submit your Declaration of Compliance.

It is recommended by TPR that you do not leave this until the last day to do it. It is likely that you will run out of time, you will not be compliant and you will incur a fine.

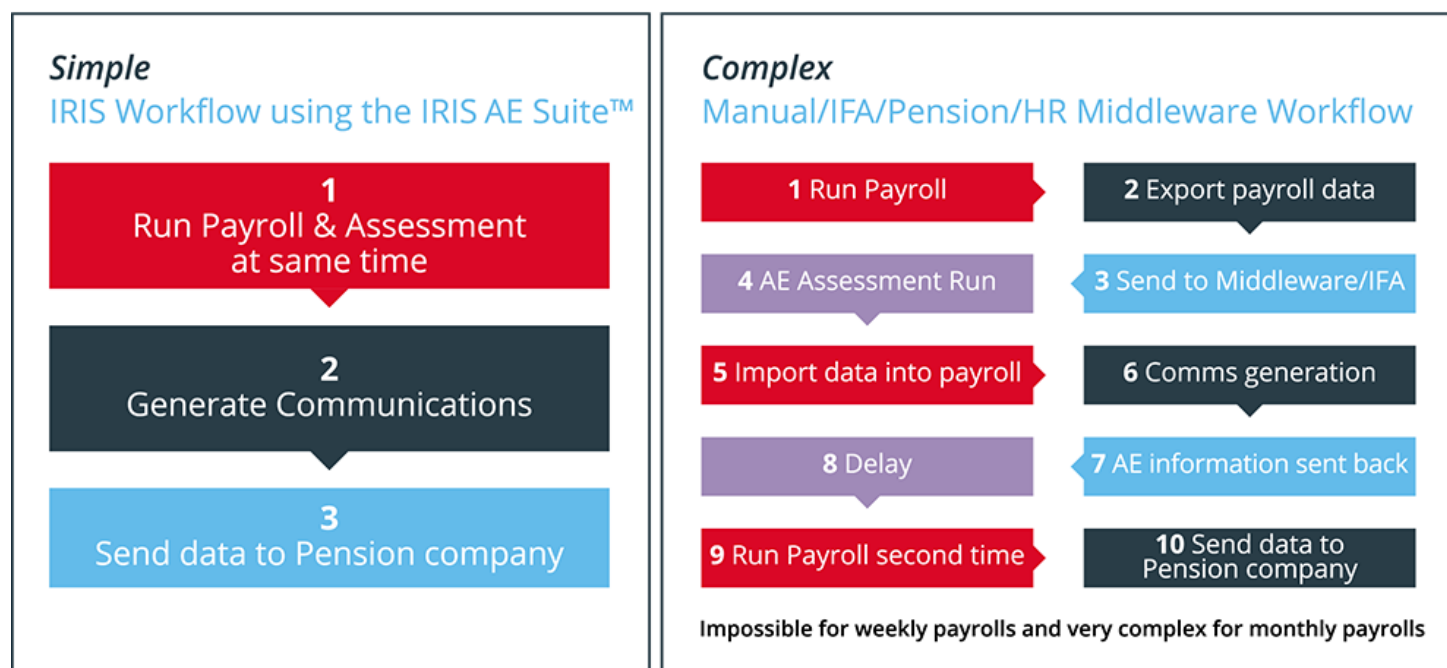


## 2) Avoid getting stung by middleware

When it comes to auto enrolment, arguably the least effective and efficient way to do it is to do the entire process manually. Second to this is using a piece of middleware that runs the auto enrolment assessment for you.

The typical middleware or manual process for running auto enrolment in comparison to running auto enrolment through the IRIS AE Suite™ is as follows:

### Automatic Enrolment Process Workflows: simple v complex



As you can see from the diagram, running a complex auto enrolment solution is nowhere near as streamlined as it could be. This is because in the “complex” model, there are 10 steps for you to go through, many of which are extremely fiddly and totally unnecessary.

The simple process on the left only takes three steps to complete auto enrolment and keep your company compliant. And it really can be that simple. Keeping it simple reduces potential for error and saves you time.

Auto enrolment should be just that... “Automatic”, and there is nothing about the “complex” process that would make it seem this way.

## 2) Avoid getting stung by middleware [cont.]

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As you can see from the flowchart previously, the process for running your auto enrolment through a middleware provider is so much more complicated and time consuming than it really needs to be.

And this is before the cost comes.

Henshaw's Society for Blind People are a very good example of the perils of running into the costs of a middleware provider.

They initially used their pension provider's piece of middleware to run their auto enrolment assessment which was free to use for the first year. However, they were then contacted toward the end of their first year of usage and were told that renewal going forward would **cost them a price into the thousands of pounds.**

This was when Henshaw's took the decision to review their payroll process and decided to opt for the IRIS AE Suite™

They had this to say about the decision:

*"When we staged we went with a middleware solution to run our auto enrolment assessment and communications as it was free of charge. However, when we learnt that in a year or two there was a significant cost to continue to use the service, we reviewed our options.*

*When comparing the middleware solution with the IRIS AE Suite™, it made perfect sense to move to the integrated and less expensive IRIS solution. I would recommend that anyone using middleware take a second look at the IRIS AE Suite™ as there are no surprise costs.*

*In addition to this, it seamlessly integrates with your payroll to ensure that assessment and communications are simple and quick."*

*Janine Stone, Finance Manager of Henshaw's Society for Blind People*

Janine also liked that the IRIS AE Suite™ automatically assesses your employee's for eligibility during the payroll run as well as distributing payslips, P60s and the legally required pension communications electronically, all within the IRIS payroll software.



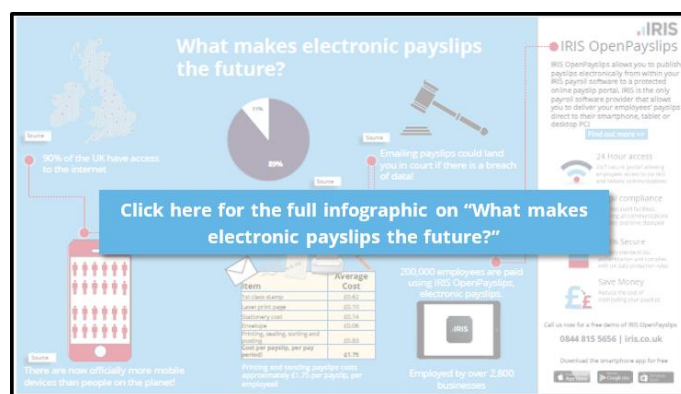
## 3) Online payroll communications

Electronic payroll communications are becoming the default for many companies due to the vast amount of time and money spent on the traditional paper methods of delivering payslips, P60s and pension communications.

We produced an infographic that looks into why electronic payslips are the future. You can view it here:

### Introducing; IRIS OpenPayslips

IRIS OpenPayslips removes the burden of printing, sealing, sorting and sending payslips and P60s as all of these documents will be delivered to your employee's online portals with a click of a button from within your IRIS Payroll software.



Your employees will receive an email notifying them of new documents available in their secure online portal and they can then login via the IRIS OpenPayslips smartphone app, on a tablet or on a desktop PC. All they need is an internet connection!

In addition to this, IRIS OpenPayslips allows you to stay compliant with The Pensions Regulator (TPR) as all documents are stored automatically for a period of 6 years which is compliant with auditing requirements.

IRIS OpenPayslips, as part of the IRIS AE Suite™ could save you £1.75 per payslip, per employee.

### Emailing payslips could land you in court if there is a data breach

Following a recent court case involving Google inc. v Vidal-Hall, the Court of Appeal have clarified the rules under the Data Protection Act 1988 (DPA).

The impact that this now has on businesses is the effect upon the emailing of payslips and P60s. While this practice is generally frowned upon anyway, there are still businesses that adopt this practice and now there businesses could be breaking though if there is a data breach.

Having someone intercept a payslip or P60 that has been emailed to someone counts as a breach of DPA and an invasion of privacy meaning that, that person will have a cause for claim against their employer.

## 4) Watch out for the capacity crunch

While the majority of small businesses are still yet to reach their staging date, the auto enrolment capacity crunch will affect them in terms of preparation, choosing pension providers and trying to find advice for how to conduct themselves through the entire process.

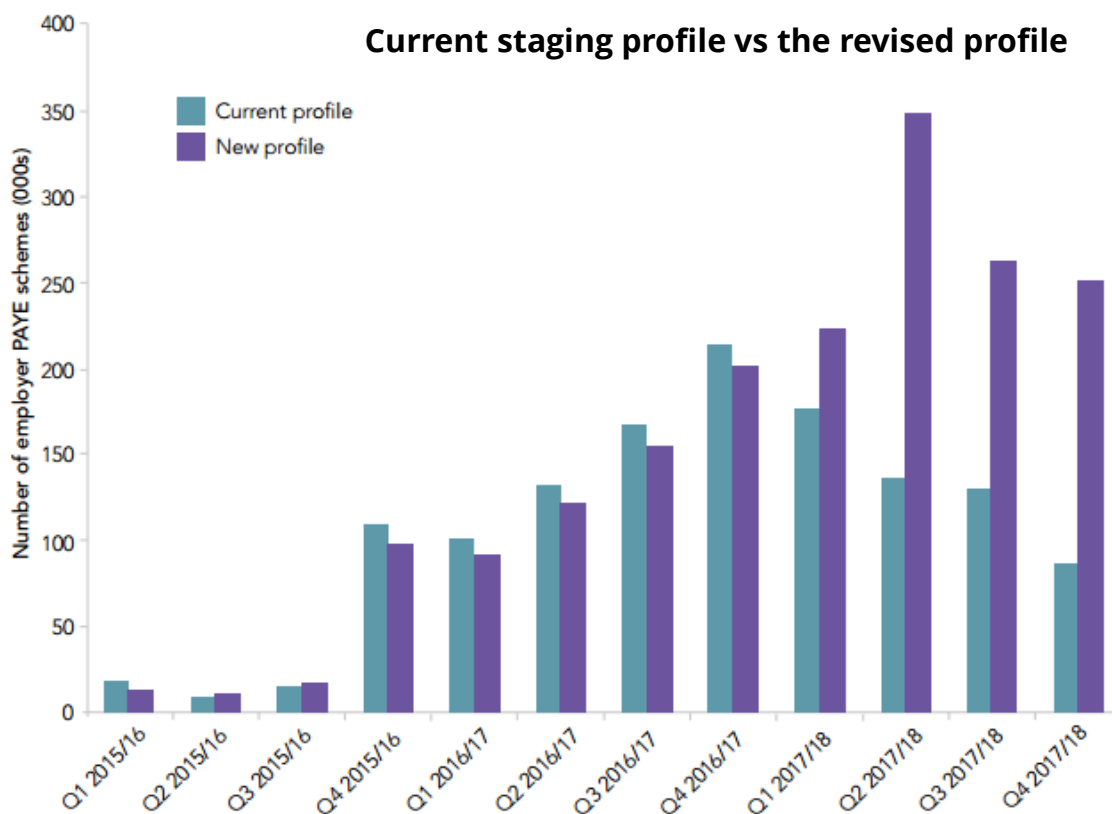
With businesses that have already staged and are approaching re-enrolment, they are likely to get caught up amongst all of those businesses that are currently about to stage for the first time. This can be in many different ways, but the most likely area to cause problems will be the advice part.

With the numbers of requests for information and support on the increase as the 1.8 million businesses set to stage between now and 2018 (up from the 1.3m previously expected – see diagram below), it may become more difficult for you to get the help and support that you and your businesses needs for auto re-enrolment.

With this in mind, it is important that you start preparing for re-enrolment as early as possible.

This is also an excellent time (as previously mentioned) to start reviewing your payroll to see if your auto enrolment process is as streamlined and efficient as possible.

Running your auto enrolment assessment, e-payslips distribution and pension communications all inclusively within your payroll process means that you can save a vast amount of time on your payroll and concentrate it on areas of your business that you can improve on.



## 5) Prepare for the re-enrolment process

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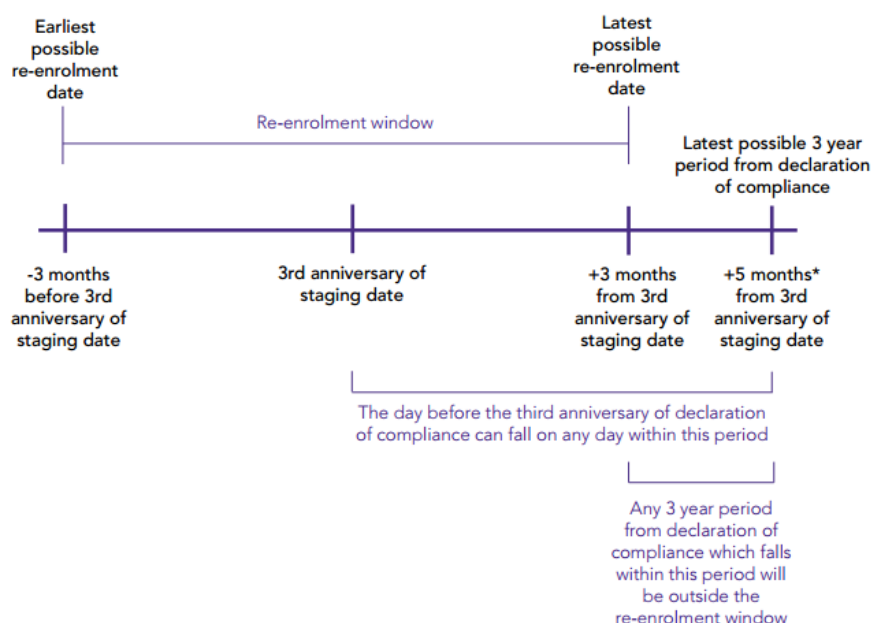
Continual assessment is needed when it comes to staying compliant with auto enrolment legislation.

Keeping on top of your employee assessment each payroll run is also important because it means that your eligible employees will continue to be enrolled into a workplace pension and save for their retirement, thus reducing the burden on the benefits system as the proportion of those working and of retirement age reduces.

To ensure that businesses continue to remain compliant and enrol their eligible employees, the government require that every three years, employers must re-enrol their employees and re-submit a Declaration of Compliance (DoC).

The Pensions Regulator (TPR) have a timeline that shows an example of when your re-enrolment window is and at what point you must submit your DoC:

### The Re-Enrolment Process



If you do not comply with your responsibilities as an employer and submit your declaration of compliance, you will be fined by The Pensions Regulator.

In addition to this, communications and auditing information must be kept for a minimum of 6 years.



# How can IRIS help?

## 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 4,300 organisations assessing 516,000 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

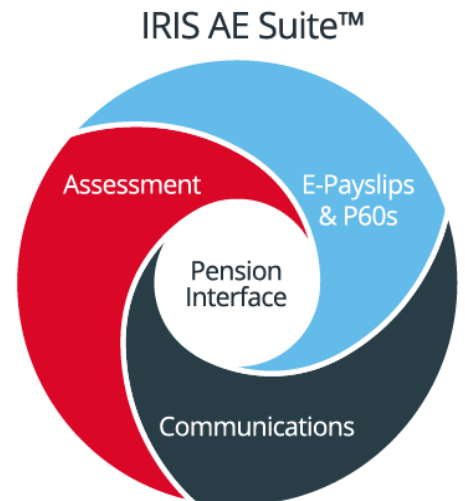
The IRIS AE Suite™ takes care of your communication requirements, removing the administration. It allows you to:

- 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
- Paper payslips/P60s/pension letters still available



*"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, Taylor Bloxham Ltd, Feb 2015

Book a Free Demo >>  
[iris.co.uk/AESuitedemo](http://iris.co.uk/AESuitedemo)

# About IRIS

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With 35 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.

IRIS has developed a complete solution to help businesses prepare for automatic enrolment. This includes compliant payroll software, the IRIS AE Suite™ to handle your employee assessment, pension communications, and payslip/P60 distribution.

**Get in touch today to see how IRIS can help you prepare for automatic enrolment.**

Call IRIS: **0843 357 1802** or Earnie on **0844 815 5677**

Email us: **sales@iris.co.uk**

Follow us on Twitter: **@IRISPayroll**

## Useful Links:

[iris.co.uk/autoenrolment](http://iris.co.uk/autoenrolment)

[iris.co.uk/aeinfo](http://iris.co.uk/aeinfo)

[iris.co.uk/aesuitedemo](http://iris.co.uk/aesuitedemo)

[iris.co.uk/epayslipsinfo](http://iris.co.uk/epayslipsinfo)

[The Pensions Regulator re-enrolment guide](#)