



Nurturing Successful Businesses

# Payroll & Auto Enrolment Pensions Admin Service Guide

Twitter:

@ sakurabusiness #sakurabusinessclinics

[www.sakurabusiness.co.uk](http://www.sakurabusiness.co.uk)

# PAYROLL & PENSION AUTO ENROLMENT ADMIN SERVICE

---

With the introduction of 'auto enrolment' and the workplace pension responsibilities for employers under the supervision of the Pensions Regulator from 1st October 2017, there are now even further compliance responsibilities on small and medium sized businesses (SMEs).

Subject to specific conditions, employers are now required to have a company pension scheme available from the first day of employment of their employees.

The advice around the selection of the most appropriate company pension scheme for an SME is a regulated activity requiring a suitably FCA regulated Financial advisor, who will also be able to educate both the employer and employee(s) as to their legal requirements as well as on various practical issues.

What is less understood by employers at present once the scheme has been implemented, is the sheer volume of both legal and administrative tasks required as part of the initial scheme setup, the monthly update of the employer's pension scheme with contribution data from the payroll, ensuring that new employees are added or removed, AND that contributions are paid on time.

“Damian Connolly and Sakura are like an extended part of our own team with super powers in the area of finance”

**Victor Kimmel**  
*Managing Director, Bright Technology*

# PAYROLL & PENSION AUTO ENROLMENT ADMIN SERVICE

---

This admin can be carried out by business owners themselves, however failure to do it all accurately may result in a variety of penalties from the Pensions Regulator, or worse still, correspondence directly to employees on the status of their employer's pension scheme

**Therefore our aim is to be able to manage the administration tasks on our client's behalf, typically as an addition to our payroll service, ensuring that once the relevant scheme has been advised on and implemented:**

- that our clients complete the registration processes on time to comply with their legal requirements
- that the admin in respect of setting up the company pension scheme account is completed accurately
- that all ongoing payroll and related pension requirements are managed efficiently each month, avoiding any penalties or other enforcement action from the Pensions Regulator

*Should you have any further queries or questions, then please ask !*



**Damian Connolly FCCA**  
Managing Director

# PAYROLL SERVICE

---

## WHY?

---

1

Whether taking on your first employee or managing monthly payroll for multiple staff, there is substantial administration involved in processing the payroll run, outside of the contractual and employment law issues e.g.

- obtaining the necessary starter information
- issuing P45s to leavers
- ensuring accuracy of tax codes
- implementing salary changes, bonuses, pensions or commissions onto the payroll each month
- issuing P60's to all employees at the end of the tax year

2

HMRC, as part of the 'Real Time Information' regulations, require the submission of monthly payroll data via a Full Payment Submission (FPS) within specified deadlines

3

To ensure that your monthly staff payroll is operated to comply with all requirements and produce the normal payslips and other reports, it is important to use the most appropriate payroll software

4

The end of the tax year brings additional requirements including completion of the end of year online submissions to HMRC

5

Avoid missing out on claiming the Employment allowance for your business

6

The payroll process is the best point to at which calculate and capture pension contributions for company pension schemes e.g. Aviva, Friends Life, NEST or Peoples Pension

# PAYROLL SERVICE

---

## BENEFITS

---

- 1 Delegate all of the administration around the processing of payroll to us and free up your own time at month end to focus on invoicing clients
- 2 Avoid the requirement to purchase, setup or use payroll software to process payroll for your business i.e. we use SAGE payroll software which is viewed as 'best practice' software
- 3 Ensure that the Employment allowance (worth a total of £3,000 in credits against NI) is considered and applied for on behalf of the business, where the appropriate criteria are met.
- 4 We ensure clients receive bespoke reminders/checklists ahead of the agreed payroll process date(s) each month, to avoid the prospect of inaccuracies or late submission of payroll data
- 5 We act as your registered agent ensuring that we can liaise directly with HMRC to deal with any issues, misallocated payments etc on your behalf
- 6 Avoid any likelihood of receiving late filed RTI surcharges as we ensure that each payroll run is submitted within the appropriate deadlines
- 7 Where there are additional payroll complexities e.g. bonuses, commissions or cycle schemes etc., this can be managed with the minimum of fuss

# PAYROLL SERVICE

Provision of annual registered Agent service for all HMRC correspondence

Registration as an Employer with HMRC for payroll purposes, where necessary

Liaison directly with HMRC around any queries, employee or payment issues

Setup and configuration of SAGE payroll software for processing payroll and online submissions

Claim for the annual Employment allowance for the business, where this is applicable

Review and confirmation of employee salary amounts and/or inclusion of bonuses, commissions etc ahead of the agreed monthly payroll date

Obtain, and where appropriate confirm, changes in employee Tax Free Allowances (TFAs) or Student loan deduction notices

Submission of RTI return to HMRC ahead of the required deadline

Reminder service for HMRC payments ahead of required deadlines each month

Processing of pension contributions and deductions under the company pension scheme e.g. NEST, People's Pension etc.

Issue of New Starter documents to new employees to ensure accurate information obtained for inclusion in the software

Provision of P45 forms to departing employees

Management of Payroll end of year requirements

Distribution of P60's to the Employer or directly to each employee ahead of the May deadline

Reconciliation of the PAYE/NI payments to HMRC against outstanding liabilities each month

# PENSION AUTO ENROLMENT ADMIN SERVICE

---

## WHY?

---

- 1 Obtaining advice from your Pension advisor in respect of setting up and implementing a compliant company pension scheme **is only the start!**
- 2 Company pension schemes require an online account, and involve significant administrative effort in terms of the initial setup of the pension online account to ensure all legal and compliance issues are successfully dealt
  - adding company information
  - adding all individual employee details
  - setup of the direct debit instruction
  - submission of the Declaration of Compliance, as well as the
  - formal written communications to employees
- 3 When the pension scheme account is operational, there are further monthly tasks including
  - review the status of new employees
  - update the scheme with pension contributions from monthly payroll data
  - Manage the 'opt out' process where employees do not stay in the scheme
  - ensure that payments are paid across on time to avoid any enforcement action by The Pensions Regulator
  - update the account for changes to the company, information on new starters or leavers etc.
- 4 When a new employee joins, there is a requirement to consider whether they should be auto enrolled or enrolled on request, provide clear communication on options for staying in the scheme or opting out, as well as ensuring that 'opt outs' are managed accurately
- 5 We will ensure that an Administrator account is in place, separate from your own online pensions account, to ensure that access to your account is maintained at all times.

# PENSION AUTO ENROLMENT ADMIN SERVICE

---

## BENEFITS

---

- 1 We can advise as to when auto enrolment requirements may apply to your business, and where necessary, introduce you to an appropriately regulated pension advisor to properly advise you and your staff on pension issues
- 2 We are able to manage all of the initial setup administration on your behalf, ensuring that key legal requirements are successfully met ahead of any relevant deadlines
- 3 As an additional Administrator for your company pension scheme online account, we can deal with the pension scheme directly to resolve any queries or issues, also ensuring protection against the loss of login details.
- 4 We can efficiently manage all of the ongoing monthly admin tasks for the Pension scheme, ensuring that the business avoids both fixed and/or daily penalties from The Pensions Regulator for non compliance issues.
- 5 We will keep up to date with any of the changes in respect of company pension schemes e.g. changes in contribution rates etc., keep you updated and/or ensure that the appropriate communications are provided to employees
- 6 Where salary sacrifice schemes are being considered as a tax effective means of saving PAYE and NI for the business, then we can advise on this if necessary.

*\*\* Please note that we cannot choose or advise on a pension scheme provider for your business. This will need to be researched by you or require the involvement of regulated Pensions advisor, although we can recommend one for you, if necessary*



# PENSION AUTO ENROLMENT ADMIN SERVICE

Registration of Employer with the Pensions Regulator

Setup of auto enrolment online pension scheme and pension contributions direct debit for company

Assessment of each employee and input of eligible employee information into the online pension scheme

Consideration and discussion of company pension scheme postponement options e.g. 3 months

Management of all required auto enrolment employee communications i.e. pension contribution processes, contribution rates, opt out information etc.

Management of all initial employee 'opt out' issues and/or contribution refunds

Update of the existing payroll software with the pension scheme details

Provision of additional Administrator account nominated contact to protect against loss or error of online pension scheme details

Preparation and submission of Declaration of Compliance to the Pensions regulator within the relevant deadlines

Processing of pension contributions and deductions under the company pension scheme e.g. NEST, People's Pension etc.

Issue of New Starter documents to new employees to ensure accurate information obtained for inclusion in the software

Management of ongoing company pension compliance as part of regular payroll processes e.g. employee 'opt outs' and assessment of new starters

Input of monthly payroll data into the online company pension scheme

Responding to pension scheme or Pensions regulator notices and correspondence to avoid any fixed, daily or contribution payment penalties

# WHAT'S NEXT

---



Once you have decided to take the next step and become a client, we ensure that the process is as simple as possible:

- We obtain completed and/or signed copies of our letter of engagement, new client information sheet and accountant transfer letter
- We will obtain confirmation of the identity of each officer and/or shareholder from you e.g. copy passport and recent utility bill/bank statement
- We will forward a welcome pack with information about Sakura and what to expect from us as one of our clients
- We 'fast track' the transfer of company paperwork and information, online accounts access and HMRC agent status from your existing accountant, where necessary, to ensure that you are up and running as quickly as possible
- Assign you the details of your contact(s) in Sakura for routine day-to-day liaison and guidance

# OTHER RELATED SERVICES

---

- **Bookkeeping Services**
- **Executive Finance Review Meeting**
- **Tax Investigation Protection Service**

# sakura<sup>l</sup>

## LONDON

Dawes Road Hub, 20 Dawes Road,  
Fulham, London, SW6 7EN

T 020 7952 1230

M 07833 902 187

E [damian@sakurabusiness.co.uk](mailto:damian@sakurabusiness.co.uk)

 [@sakurabusiness](https://twitter.com/sakurabusiness)

## DUBLIN

Suite 80, No. 20 Harcourt Street,  
Dublin 2, Ireland

M (00353) 85 702 0949

E [damian@sakurabusiness.ie](mailto:damian@sakurabusiness.ie)