

## Setting up Employee's Payroll Data

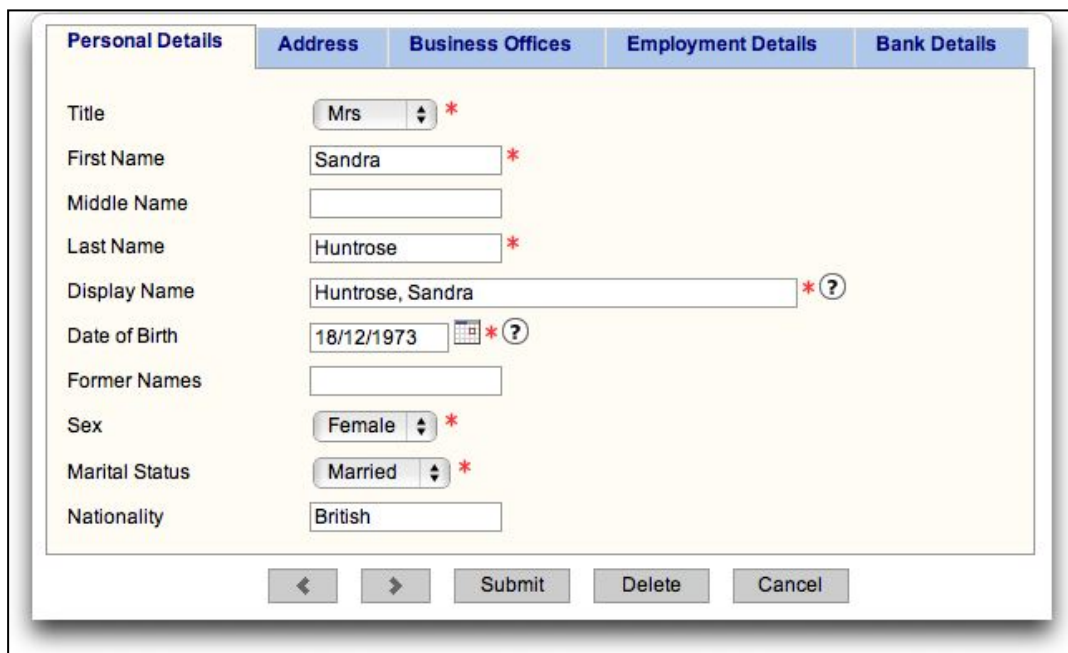
To successfully run a payroll for an employee some base information must exist. In summary this information is:

- ◆ Initial employee details including name, address and start date
- ◆ PAYE and National Insurance information, including the details of any student loans in existence.
- ◆ The details of any pension scheme the employee belongs to and the relevant contributions.
- ◆ The details of Pay and PAYE Tax from any previous employment in the current tax year.
- ◆ Whether any deductions are too made for court orders or loans.
- ◆ Details of pay for the payroll period.

### Initial details of an Employee

From the **LISTS** menu, either click **OFFICERS/EMPLOYEES** to show a list of existing and then select **ADD NEW** Or select **ADD OFFICER/EMPLOYEE**.

Or from the **PAYROLL** menu, click **SET EMPLOYEE**, and **ADD NEW**.



A form with several tabs is displayed.

- ◆ In the **PERSONAL DETAILS** tab the relevant details.
- ◆ Enter the address information in the second tab (not mandatory)
- ◆ If necessary use the **BUSINESS OFFICES** tab, to select those offices the person will hold and input the required data.
  - In the case of a company the offices are Director or Company Secretary. The tab allows details of dates of appointment and resignation. If the individual is to sign the year-end statutory accounts, check the box.
  - For an LLP the offices are designated member and company secretary. The tab allows details of dates of appointment and resignation. If the individual is to sign the year end statutory accounts, check the box.

- For a Not for Profit Organisation, Business Offices are known as Organisation Offices, a Trustee. The required information is the same as a business office.
- ◆ In the **EMPLOYMENT** and **TAX DETAILS** tab, enter dates of employment.
- ◆ In the **BANK DETAILS** tab the **Sort Code** and **Bank Account** details can be entered. The information can form the basis of a general extract file that can be used for online banking or creating a BACS file.

Once the employee details have been entered in first instance then they can be amended, either from the **LISTS** menu or from the **PAYROLL** menu.

**LISTS** → **OFFICERS/EMPLOYEES** → **LIST OFFICERS/EMPLOYEES** → **EDIT** relevant employee

OR

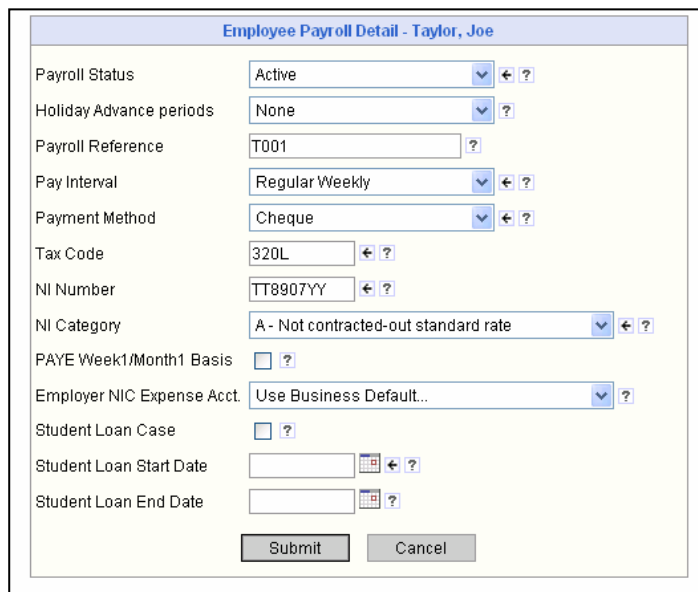
**PAYROLL** → **SET EMPLOYEE** → **SET** relevant employee → **PAYROLL** → **EMPLOYEE DETAILS**

### Employee Payroll/Tax details

From the **PAYROLL** menu ensure the relevant employee is **Set** and click on **PAYROLL/TAX DETAILS**

**PAYROLL** → **SET EMPLOYEE** → **SET** relevant employee → **PAYROLL** → **PAYROLL/TAX DETAILS**

- ◆ The payroll status is selected from the dropdown list:-
  - **Active** - will be processed in payroll runs
  - **Inactive** - is not processed in payroll runs, but details remain and are reported in year-end filing. For those months a payroll member is inactive there is no charge.
  - **Hold** - employee still usually active, but temporarily no payroll calculations will be done, usually set when holiday pay has been paid, and reversed when the employee returns to work.
  - **Not on Payroll** - No payroll impact including year-end filing. For those months a payroll member is Not on Payroll there is no charge.
  - **Trade Dispute** - tax refunds are withheld until there is a return to work.
- ◆ If holiday pay is being paid enter the number of pay periods in advance it represents. See **Holiday Pay** payroll user guide for more information.
- ◆ Enter a **Payroll Reference** for the employee and the **Pay Interval** for the employee. Most commonly Regular Weekly or Regular Monthly will be used.
- ◆ The net pay **Payment Method** is then selected. If you are using **cheques** then these will automatically recorded when the payroll run is finalised. Select **BACS/Electronic transfer** to allow a BACS type formatted file to be prepared for onwards submission when a payroll run is complete. Other payment methods will require further action when the payroll has been finalised.



Employee Payroll Detail - Taylor, Joe	
Payroll Status	Active
Holiday Advance periods	None
Payroll Reference	T001
Pay Interval	Regular Weekly
Payment Method	Cheque
Tax Code	320L
NI Number	TT8907YY
NI Category	A - Not contracted-out standard rate
PAYE Week1/Month1 Basis	<input type="checkbox"/>
Employer NIC Expense Acct.	Use Business Default...
Student Loan Case	<input type="checkbox"/>
Student Loan Start Date	
Student Loan End Date	
<input type="button" value="Submit"/> <input type="button" value="Cancel"/>	

- ◆ Either from a P45 or a coding notice from the Inland Revenue enter the Tax Code. See “E13 - Day to Day Payroll guide” from the Inland Revenue for more information on tax codes.
- ◆ Enter the employee’s National Insurance Number. The number comes from the Department of Social Security. It is displayed with two letters, followed by 6 numbers and a final letter i.e. YP 25 54 77 B
- ◆ Select the national insurance table from the **NI Category** dropdown. The correct table is dependant on a number of factors. Whether the employee is Not Contracted Out or is in an approved pension scheme and therefore Contracted Out. A married woman may opt for a reduced rate and individuals over retirement age pay a lower employee’s contribution. Details of National Insurance Rates and earnings limits are published by the Inland Revenue. It is important to ensure the correct table is used, if you are unsure you please take appropriate professional advice.
- ◆ Check the **Week1/Month1 PAYE Basis** box if the employee is to be taxed on a week 1 or month 1 basis. Normally PAYE Tax is calculated on a cumulative basis, however Week 1 or Month1 Basis is a Non cumulative basis. Week1 or Month1 basis is usually set when the Inland Revenue tell you to use a D code or add a week1/month1 marking to any other code they tell you to use. You may also need to use a week1/month1 basis for a new starter if they do not have a P45 form. You may also need to use a week1/month1 basis where you pay an employee in week 53.
- ◆ Select from the **Employer NIC Expense Account** dropdown box the relevant expense account to which any employers National Insurance contribution will charged. Business default will be the usual choice.
- ◆ Check this box for a **Student Loan Case**, where you have been notified that the employee is a borrower from the student loan company and is subject to a student loan deduction. Details of employers responsibilities with respect to student loans are set out in the Inland Revenue publication – “IR59 Collection of Students Loans, A guide for employers”
- ◆ Enter the Student Loan Start Date notified on form SL1 from the Inland Revenue, or the date of the next relevant pay day if you have received a P45 from a new employee and there is a “Y” in the “Continue Student Loans Deduction?” box.
- ◆ Enter the Student Loan End Date notified on form SL2 from the Inland Revenue, or exceptionally a date from the Inland Revenue as an emergency request either by writing or by phone, then confirmed in writing.

## Employee Pension Data

From the **PAYROLL** menu ensure the relevant employee is **Set** and click on **PENSION DETAILS**

**PAYROLL** → **SET EMPLOYEE** → **SET** relevant employee → **PAYROLL** → **PENSION DETAILS**

- ◆ Select the **Pension Scheme** to which the employee is a member of. If no pension scheme exists set it up via the Configure Payroll menu.

Employee Pension Detail - Smith, John	
Pension Scheme	Insurance Company Pension <input type="button" value="v"/> ?
Employee Pension Ref.	S001 ?
Date Joined Scheme	01/03/2003 <input type="button" value="c"/> ?
Date Left Scheme	<input type="text"/> <input type="button" value="c"/> ?
Employee Contrib. Override	0.00 ?
AVC Calculation Method	Select... <input type="button" value="v"/> ?
AVC Rate/Amount	0.00 ?
Employer Contrib. Override	0.00 ?
<input type="button" value="Submit"/> <input type="button" value="Cancel"/>	

- ◆ Enter the **Employee Pension Reference** by which the employee is known within the pension scheme.
- ◆ Enter the **Date** which the employee joined the pension scheme. If in the current year then pension deductions will take place in the next relevant pay run after this date.
- ◆ Enter the **Date** when the employee left the pension scheme. If in the current year then pension deductions will cease at the next relevant pay run after this date.
- ◆ Enter an **Employee Contribution Override** deduction amount which is different to the scheme normal deduction. If the scheme is usually a percentage deduction then enter a new percentage i.e. If the scheme norm is 6%, then by entering 15, the employee deduction will be 15%. If the scheme norm is a fixed amount of £75 deduction, then by entering 100, the employee deduction will be £100.
- ◆ Choose how AVC (Additional Voluntary Contributions) contributions by the employee will be calculated (**AVC Calculation Method**). Select either Percentage or Fixed Amount. The percentage will be applied to the sum of those pay elements indicated to be included in the Pensionable Gross.
- ◆ Enter either **AVC Rate/Amount** as a percentage amount such as 6.50 or an amount as 75.00
- ◆ Enter an **Employer Contribution Override** deduction amount which is different to the scheme normal deduction. If the scheme is usually a percentage deduction then enter a new percentage i.e. If the scheme norm. is 6%, then by entering 15, the employer deduction will be 15%. If the scheme norm is a fixed amount of £75 deduction, then by entering 100, the employer deduction will be £100.

### Pay and PAYE Tax from a previous employment or being transferred from another system.

If an employee is new or is being set up to run on this payroll system for the first time, pay and tax deducted for the PAYE year to date must be entered. Amounts should be cumulative for the PAYE year to date. Figures for this employment will be found from the old payroll system. The new starter figures should be found on the P45 form.

From the **PAYROLL** menu ensure the relevant employee is **Set** and click on **PRIOR PAY**

**PAYROLL** → **SET EMPLOYEE**  
→ **SET** relevant employee →  
**PAYROLL** → **PRIOR PAY**

### From a previous employment

- ◆ Enter the gross pay in previous employment, cumulative for the PAYE year to date.
- ◆ Enter the tax deducted in the previous employment, cumulative for the PAYE year to date.

Previous Employment	Current Employment	Statutory Pay/Dedns.	NI #1	NI #2
<p>For new starters with earnings in a previous employment.            Figures normally taken from P45 issued by previous employer.</p> <p>Pay in Previous Employment <input type="text" value="0.00"/> ?</p> <p>Tax in Previous Employment <input type="text" value="0.00"/> ?</p>				
<p>←   →   Submit   Cancel</p>				

**Transferred from another system**

Details should be available from the other system. If information is missing it may be helpful to consult with your advisor.

Click the second tab **current employment**

- ◆ Enter the prior pay in this employment employment, cumulative for the PAYE year to date.
- ◆ Enter the prior tax in this employment employment, cumulative for the PAYE year to date.
- ◆ If an employee is a Director and starts on the payroll mid-year then to ensure the system can accurately calculate the NIC on the annual earnings basis, some information is needed and entered in the next three boxes.

Previous Employment | **Current Employment** | Statutory Pay/Dedns. | NI #1 | NI #2

For existing staff transferred into Liberty Accounts Payroll during PAYE year.  
Figures normally available from old payroll system.

Prior Pay in this Employment  ?  
 Prior Tax in this Employment  ?  
 Prior Director Pay Liabile to NI  ?  
 Prior Employee NI as Director  ?  
 Prior Employer NI as Director  ?

Navigation: < > Submit Cancel

Also in the third tab **statutory pay deductions**

- ◆ Enter the history of statutory pay deductions for this employee. This will ensure year end filing details are complete.

Previous Employment | Current Employment | **Statutory Pay/Dedns.** | NI #1 | NI #2

For existing staff transferred into Liberty Accounts Payroll during PAYE year.  
Figures normally available from old payroll system.

Statutory Sick Pay  ?  
 Statutory Maternity Pay  ?  
 Statutory Paternity Pay  ?  
 Statutory Adoption Pay  ?  
 Student Loan Deductions  ?  
 SMP Recovered  ?  
 NIC Compensation on SMP  ?  
 SPP Recovered  ?  
 NIC Compensation on SPP  ?  
 SAP Recovered  ?  
 NIC Compensation on SAP  ?

Navigation: < > Submit Cancel

Finally if the employee has had changes of National Insurance Tables (ie from say contribution table A to contribution table C pensioner's rate) enter the details in tabs 4 and 5. Again this will ensure year end filing details are complete

Previous Employment | Current Employment | Statutory Pay/Dedns. | **NI #1** | NI #2

For existing staff transferred into Liberty Accounts Payroll during PAYE year.  
Figures normally available from old payroll system.

NI Category  ?  
 Earnings At LEL  ?  
 Earnings LEL To ET  ?  
 Earnings ET To UEL  ?  
 Employer NI  ?  
 Employee NI  ?  
 SCON  ?

Navigation: < > Submit Cancel

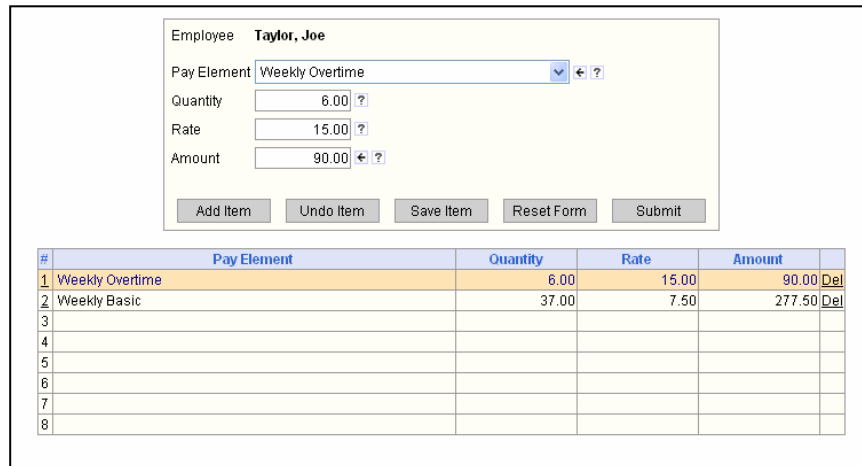
## Details of Employee Pay

Enter details about the value of pay elements, for the **set** employee, to be used to calculate the payroll. See the **Initial payroll Setup** user guide for more details on setting up pay elements

From the **PAYROLL** menu ensure the relevant employee is **Set** and click on **PAY**

**PAYROLL** → **SET EMPLOYEE** → **SET** relevant employee → **PAYROLL** → **PAY**

- ◆ Select the **Pay Element** from the dropdown list. If a pay element is not available, it can be created via the Configure Payroll menu.
- ◆ Enter the **Quantity** of the pay element to be extended by the rate. Examples would be, 1 (basic weeks pay) or hours
- ◆ Enter the unit **Rate** for the pay element, for example £7.5 per hours
- ◆ The system extends the quantity by the rate to determine the **Amount**, however it may be over-riden.



#	Pay Element	Quantity	Rate	Amount	Del
1	Weekly Overtime	6.00	15.00	90.00	Del
2	Weekly Basic	37.00	7.50	277.50	Del
3					
4					
5					
6					
7					
8					

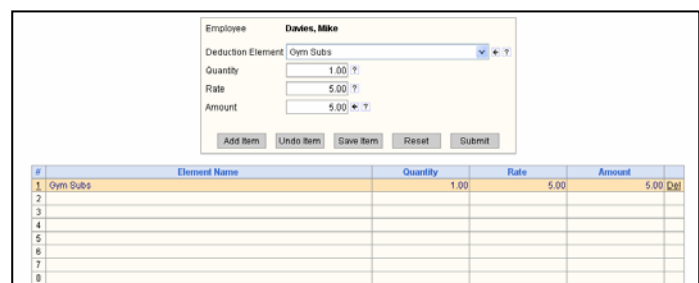
## Details of Deductions

Enter details about the value of pay deduction elements, for the **set** employee, to be used to calculate the payroll. A pay deduction element is simply an item of deduction which is to be included in the calculation of net pay.

From the **PAYROLL** menu ensure the relevant employee is **Set** and click on **DEDUCTIONS**

**PAYROLL** → **SET EMPLOYEE** → **SET** relevant employee → **PAYROLL** → **DEDUCTIONS**

- ◆ Select the pay deduction element from the dropdown list. If a pay deduction element is not available, it can be created via the Administration, Global Pay Elements menu.
- ◆ Enter the amount of the deduction element used for the payroll calculation.



#	Element Name	Quantity	Rate	Amount	Del
1	Oym Subs	1.00	5.00	5.00	Del
2					
3					
4					
5					
6					
7					
8					

## Batch Update of Employee Pay and Deductions

For payrolls containing many members whose pay or deductions change regularly, a batch update facility is available. Simply go to Batch pay/deductions facility.

**PAYROLL** → **BATCH PAY/DEDUCTIONS**

A screen allowing the selection by payroll pay intervals, and if required, branches are presented. Note that if use of branches is not selected for the entity then the branch option will not display.

<b>Branch</b>	
All...	▼ ⬅ ?
<b>Pay Interval</b>	
Regular Weekly	▼ ⬅ ?
<input type="button" value="Submit"/>	

On **SUBMIT** a screen is presented which lists all relevant payroll members together with the pay and deduction information currently set for them.

Employee	Element Name	Quantity	Rate	Amount	Delete
Curtis, Sandra	Overtime	0.00	9.50	0.00	<input type="checkbox"/>
	Weekly Pay	1.00	200.00	200.00	<input type="checkbox"/>
	Gym Subs	1.00	5.00	5.00	<input type="checkbox"/>
Davies, Mike	Overtime	1.00	7.50	7.50	<input type="checkbox"/>
	Weekly Pay	1.00	120.00	120.00	<input type="checkbox"/>
	Gym Subs	1.00	5.00	5.00	<input type="checkbox"/>
Elliot, Paul	Weekly Pay	1.00	150.00	150.00	<input type="checkbox"/>
Taylor, Alan	Monthly Salary	1.00	2,500.00	2,500.00	<input type="checkbox"/>
	Gym Subs	1.00	20.00	20.00	<input type="checkbox"/>

Amend the data as necessary and click **SUBMIT** to record the update.

Continue to run payroll as normal.

Note if a new pay or deduction element is required for a payroll member, it must be invoked individually using the **Details of Employee Pay** process described previously.

## Court Orders and Loans

Details of Court orders and loan are set up via specific menu items.

From the **PAYROLL** menu ensure the relevant employee is **Set** and click on **LOANS** or **COURT ORDERS**.

**PAYROLL** → **SET EMPLOYEE** →  relevant employee → **PAYROLL** → **LOANS**

Or

**PAYROLL** → **SET EMPLOYEE** →  relevant employee → **PAYROLL** → **COURT ORDERS**

Input the data as requested in the screens. Full details are available in the **Court Orders** and **Employee Loans** user guides