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Pensions Auto Enrolment

TEMPLACMS

Version: v6.1.0

COMMERCIAL STATEMENT

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BACKGROUND

Currently, the entire Pensions Auto-Enrolment process is handled in SelectPay where the pension statuses of employees are assessed and pension contributions deducted. Other than the standard pension reports, SelectPay only offers limited functionality to provide export files to pension providers like, for example, enrolment or contribution files.

The TemplaCMS Auto Enrolment for Pension Interface module can support three export files & formats required by NEST (enrolment, contribution and exception), as well as that required by The Peoples Pension (member enrolment and member contributions) and NOW Pensions.

SET-UP IN CMS

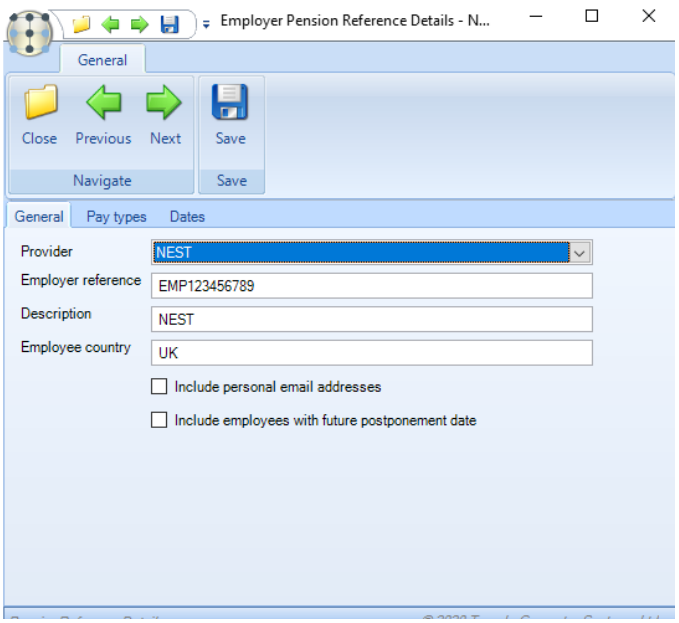
Employer Reference Numbers

GENERAL

An employer needs to acquire a NEST, TPP or NOW PENSIONS Employer Reference number either from the NEST website or the company's pension provider. This is a unique number issued by the AE provider that identifies the client company - for TPP, this is known as the 'B&CE account number'

Once acquired, the reference number needs to be setup in TemplaCMS, which can be actioned via the *Employer Reference* option from the *Maintenance > Payroll > Pensions* menu.

Click on *New* and enter the required details:



Provider - the relevant pension provider (NEST or TPP) should be selected from the list.

Employer reference - the NEST (12 characters) or TPP Employer Reference Number should be entered.

Description – this field is optional and can be used internally by the employer.

Employee country - employee's country of residence is required when enrolling members (neither SelectPay nor TemplaCMS currently hold this information).

Include personal email addresses - if left unchecked, personal email will not be included in the upload file when enrolling members.

Include employees with future postponement dates – if ticked, employees with future postponement dates will be included in the enrolment batch & upload file.

Please note there could be more than one NEST Employer Reference number within a Company if there is more than one 'PAYE reference' and/or legal entity.

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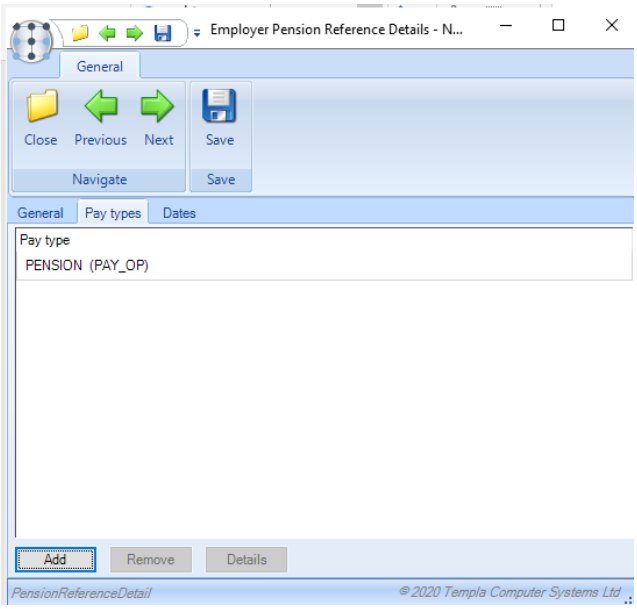
PAY TYPES

Employees may already pay into existing pension schemes and should not be included in NEST or TPP enrolment / contribution batches if so. These pensions would also be set up as pension pay types in SelectPay.

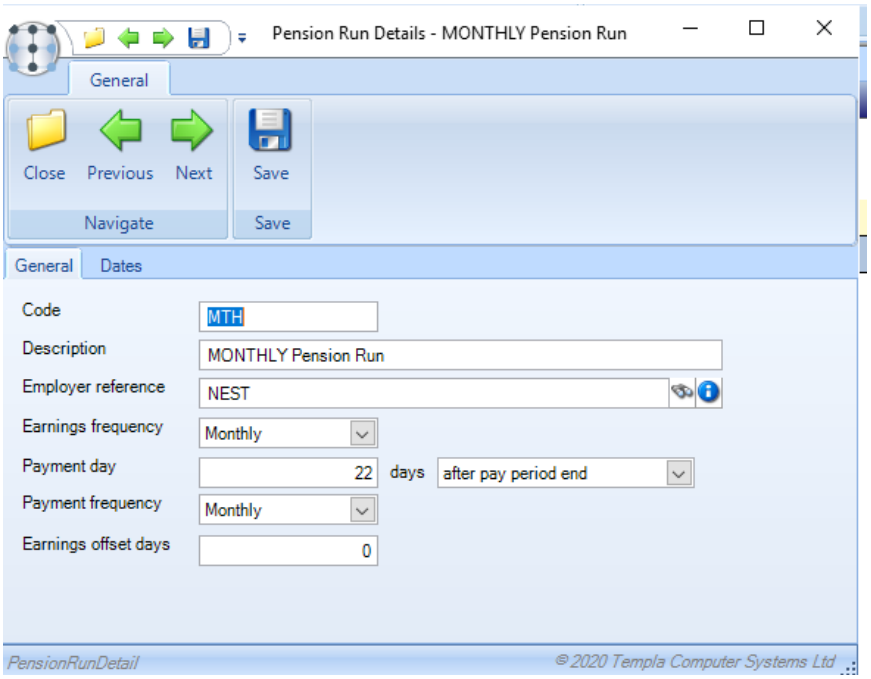
In order for CMS to be able to distinguish between NEST / TPP pension pay types and non-NEST / TPP pay types the NEST/TPP pay types need to be specified on the 'Pay type tab':



The above will ensure that only employees that have been enrolled with the pension pay types as specified above will appear in the CMS pension batches. No pension pay types need to be specified if there are no existing (i.e. non-NEST / TPP pay types) pension schemes.

Pension Runs

Pension Runs can be set up from the *Maintenance > Payroll > Pensions* menu by clicking on *New* and are used to group *Pension Groups* together (please see following section on 'Pension Groups').



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Code – enter a code for the pension run.

Description – enter a description for the pension run.

Employer reference – select the relevant *Employer reference* (set up as explained in above notes).

Earnings frequency – the 'Payroll Earnings Frequency' with the options being Weekly, Fortnightly, Four Weekly and Monthly.

Payment day - the date by which all the contributions must be cleared in the Pension Provider's Bank Account. For example, where the payment frequency is monthly, the 22nd is the latest date that can be defined. For non-monthly payment frequencies, the relevant payment due date can be up to 10 days after the pay run period's end date.

Payment frequency - this specifies how often the employer pays the contributions, with the options also being Weekly, Fortnightly, Four Weekly or Monthly.

Earnings offset days – *TPP* pensions use a *'Payment Reference Period'* which is not the same as the 'Earnings period end date' which are used by other pension providers. PRP relates to the period when the first payment is processed for example where a payroll is paid on the 15th of the month after the end of the earnings period. The PRP is the 1st of February to the 28th of February, but the earnings end date is 31st January. So the *Earning offset days* allows a user to define the number of days between payroll period end date and the payment date, allowing the system to determine the correct PRP date on the contribution batch.

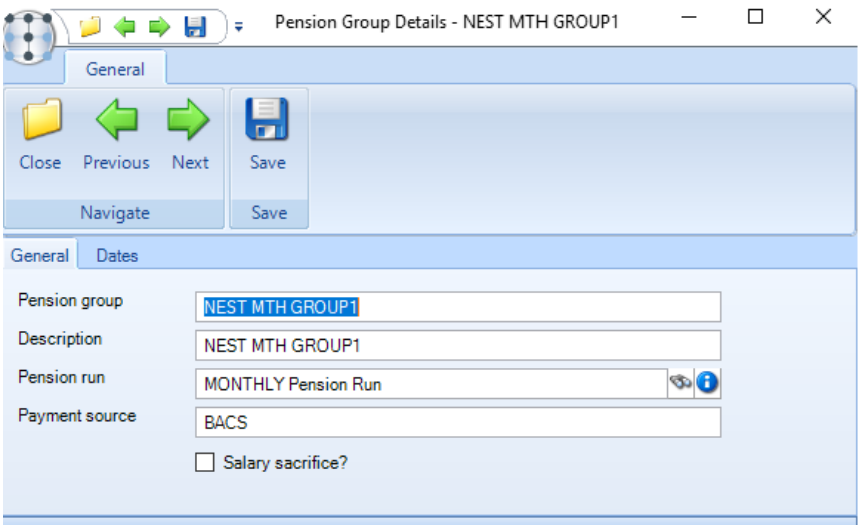
Please note that the payment must be made before this day in order for the payment to clear by the date entered here.

Pension Groups

For *NEST***,** the Pension Group(s) first need(s) to be set-up by the employer or pension provider on the NEST online system. The details can then be entered in TemplaCMS and attached to the relevant 'Pension Run Type' as per above.

TPP allows a single client company to operate a number of 'AE worker groups', where each group may have differing contribution levels. Within TemplaCMS, these pension groups must be defined to exactly match those registered with TPP.

Pension Groups can be defined from the *Maintenance > Payroll > Pensions* menu by entering the following details.



Pension Group – this should match the description set up with NEST / TPP.

Description – this is an optional field that can be used by the employer.

Pension Run - select the relevant run that the *Pension Group* relates to.

Payment source – this defines how the payments will be made.

Salary sacrifice? – this should be ticked where the *Pension Group* is for a *Salary sacrifice pension scheme.*

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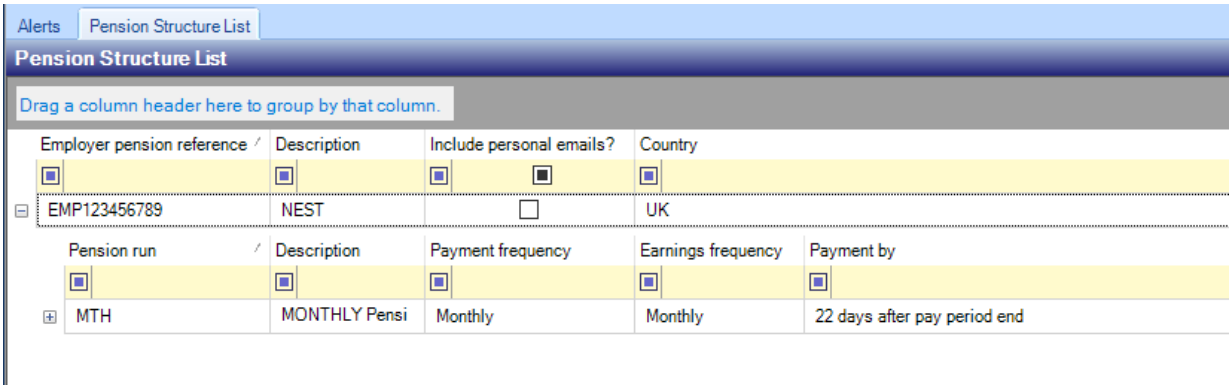
Pension Structure

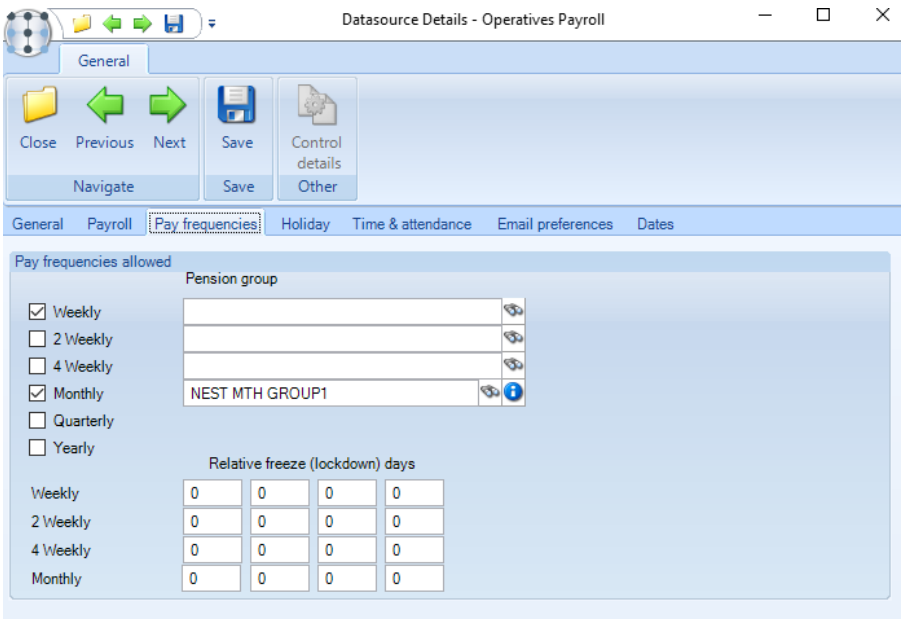
The *Pension Structure* option on the *Maintenance > Payroll > Pensions* menu gives an overview of the *Pension Runs* and *Groups* that have been set up:



Datasources

For each Payroll datasource in TemplaCMS, the default *Pension Group* for the payroll can be specified on the *Pay frequencies* tab of the datasource.

The datasources can be accessed from the *System Admin > Gateway Admin > Datasources* menu.



Employees

By default, an employee will belong to the *Pension Group* as specified on the payroll datasource they belong to.

There may be the need to assign some employees to an alternative *Pension Group* (for example when they've been *TUPED* with different pension terms). This can be changed by setting up an *Override* on the *Auto Enrolment* tab of the employee record.

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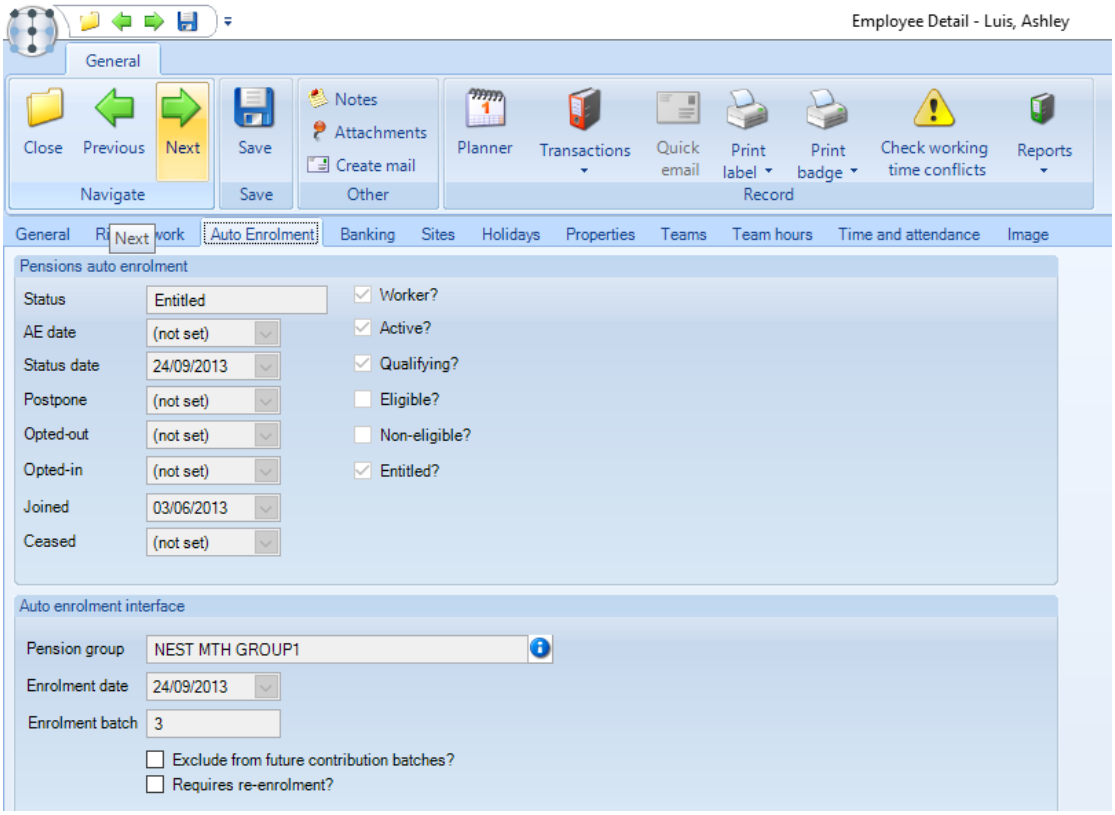

Where an employee has been auto enrolled in a pension scheme, this is recorded on the employee record. If they subsequently opt out, the enrolment details remain in TemplaCMS, though the employee can be marked as *Exclude from future contribution batches?*

Based on the statutory rules for auto enrolment, every employee not currently enrolled will be eligible for auto enrolment every 3rd anniversary. Where an employee does again enrol, the pension provider may require that the employee is re-sent in the next enrolment batch before they will accept any further contributions for the employee.

Ticking the *Requires re-enrolment* checkbox will cause the employee to be included in the next enrolment batch.

Note that as it is likely that opted out employees have had the *Exclude from future contribution batches option ticked*, the action of un-ticking this will prompt the user to tick the *Requires re-enrolment* checkbox.

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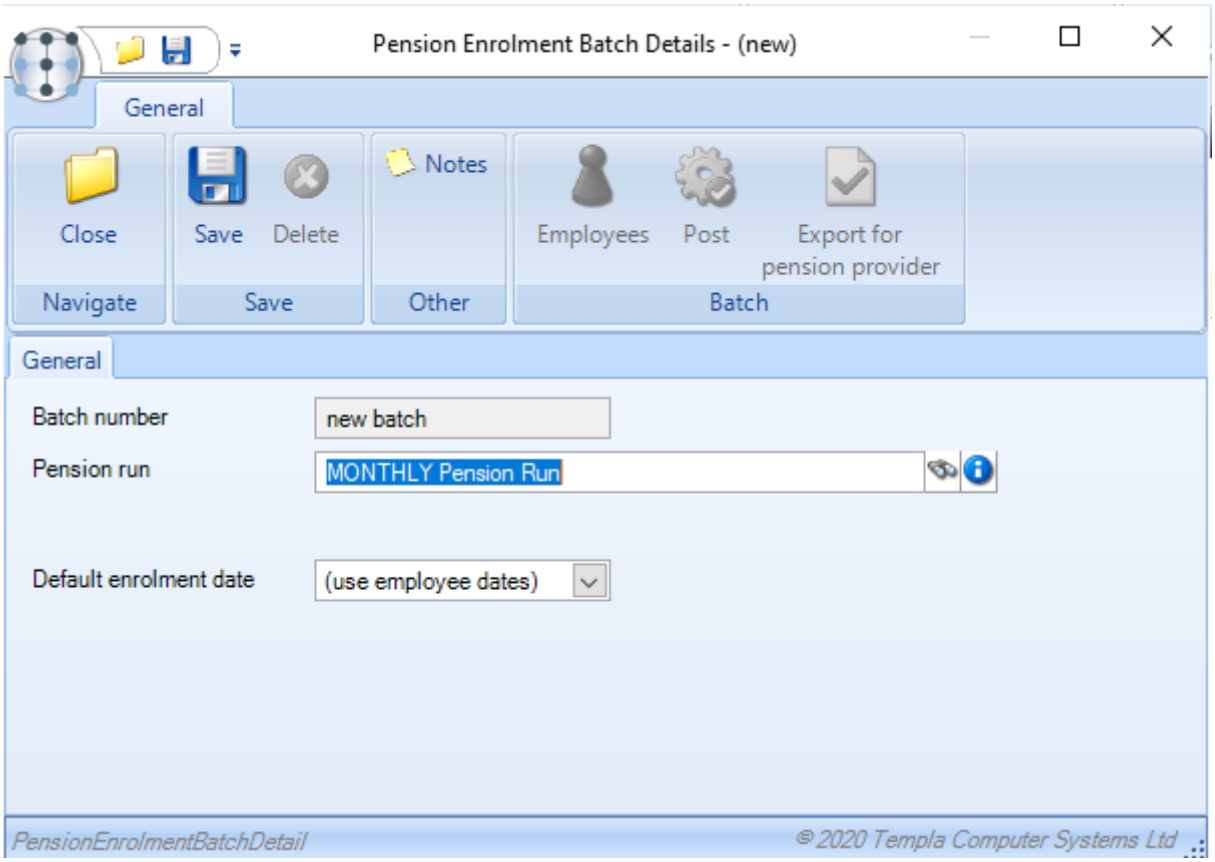
MEMBER ENROLMENT

Generating the first member enrolment batch can only be done once the *Auto-enrolment wizard* in *SelectPay* has been run and employees have been assigned a pension status.

A new member enrolment batch can be created from the *Payroll > Pensions > Pension Enrolment Batches* option by clicking on *New* and selecting the *Pension run* the enrolment batch should be created for:



For NEST, the enrolment batch can be created with the option *'use employee dates'* or by the user manually selecting the enrolment date that will appear on the export file for all employees.

Manually selecting the enrolment date can be used to ensure that the payment date is not before the enrolment date, which can happen in SelectPay where pay is imported, employees are assessed and pension pay types are assigned in the same period.

On clicking *Save*, the routine will generate the batch and select all employees belonging to the specified *Pension Run* (and therefore the *Pension Group*) if the employee qualifies for enrolment – i.e. the auto-enrolment *Qualifying* flag has been set for this employee in SelectPay. **This will only occur if the employee has an appropriate status and the payroll department have assigned an appropriate pension pay type and the employee has not been opted out or postponed.**

Please note: if this option is taken before the necessary setups have been actioned in SelectPay, then no employees will be selected as none will have an appropriate status.

Once the batch has been generated, the details can be viewed by clicking on the 'Employees' button within the batch.

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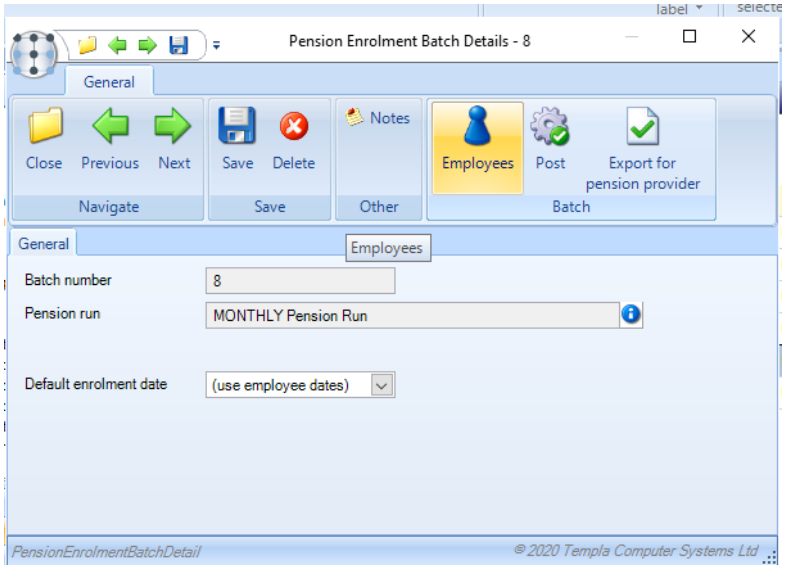

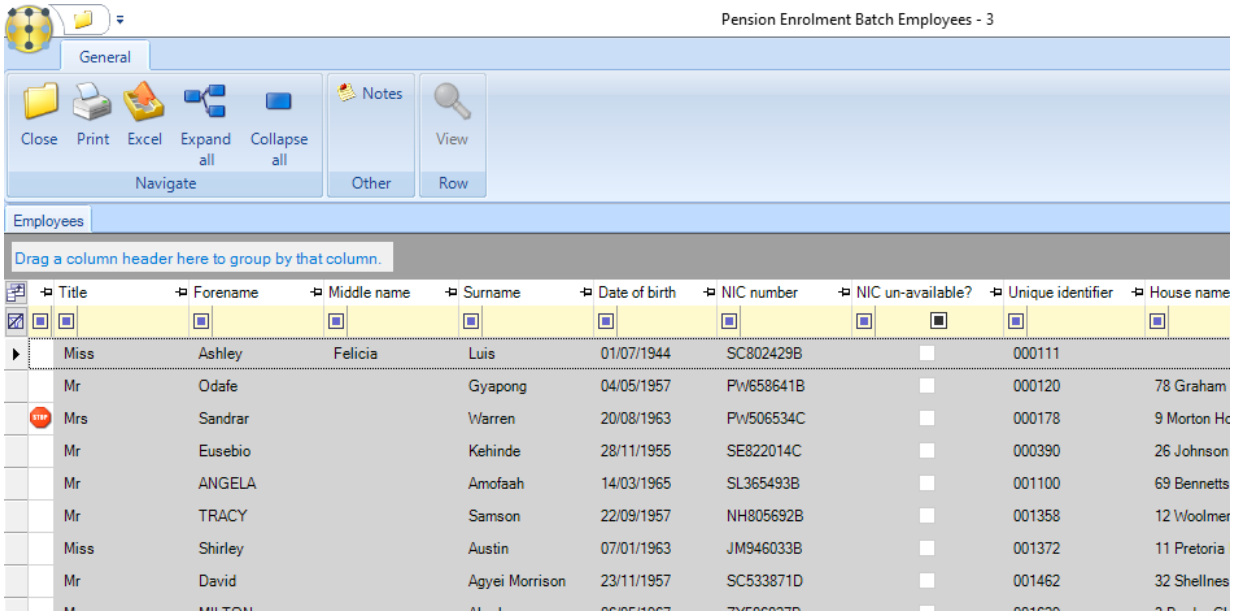

The resulting employee details displayed on the above screen show all columns / fields as per the NEST enrolling members file specification.

TemplaCMS attempts to auto-populate all mandatory and conditional fields plus some additional fields (for example e-mail addresses depending if the flag has been set on the Employer Pensions Ref details as per point 2.1 above).

It is not possible to manually add or remove employees from this list but all 'white' fields can be edited as TemplaCMS might not be able to correctly populate these, for example:

- Enrolment type – AE will be the default and TemplaCMS will attempt to determine OPTIN but other options may need to be set, i.e. WWQE, OTHERS, VOLUNTARY
- Information about worker enrolment received? – Y will be the default
- Is member an overseas national awaiting an NI number? – N will be the default

Any address changes needed to match the employee address in SelectPay to the corresponding NEST addresses fields (i.e. house number - optional, house name – optional, street, town, county and post code) will need to be undertaken by the payroll department, by manually updating the address details in SelectPay.

Employees who have been enrolled in error can be removed from the enrolment batch by highlighting the relevant employee in the list and clicking on the *Remove* button. The user will need to manually make the necessary corrections in SelectPay to reflect this.

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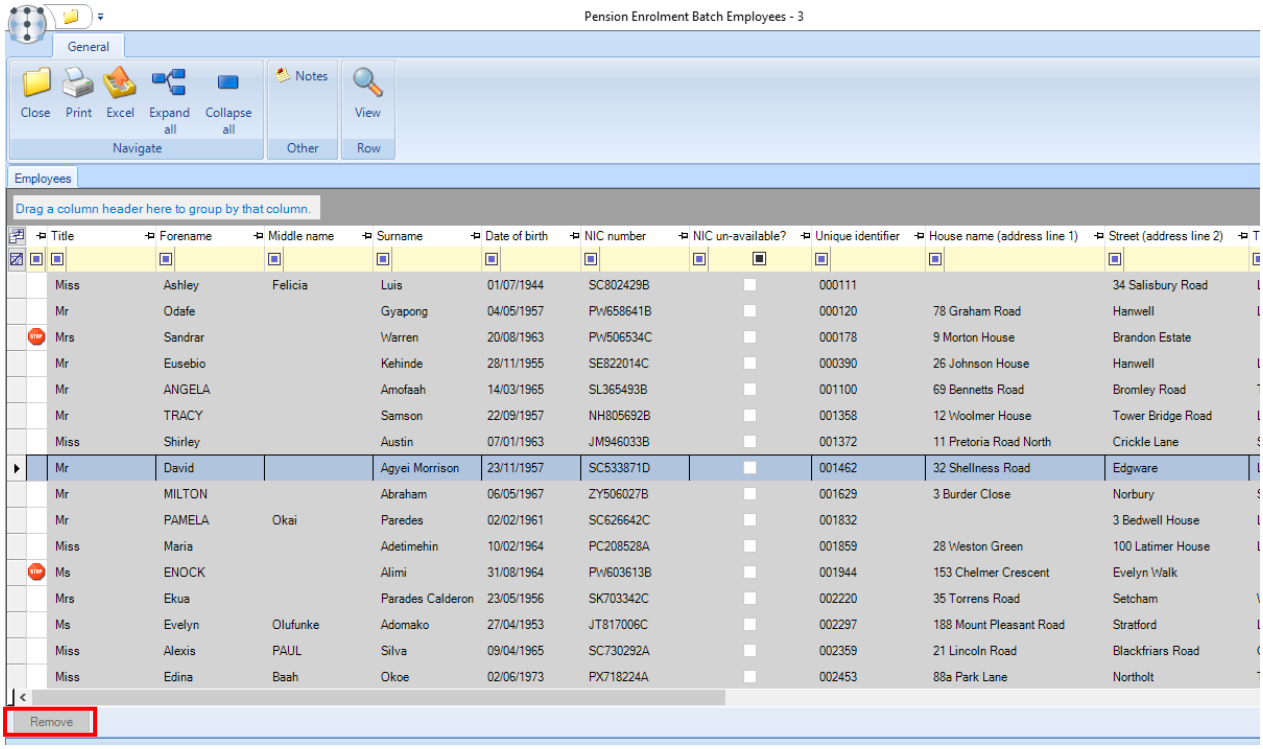
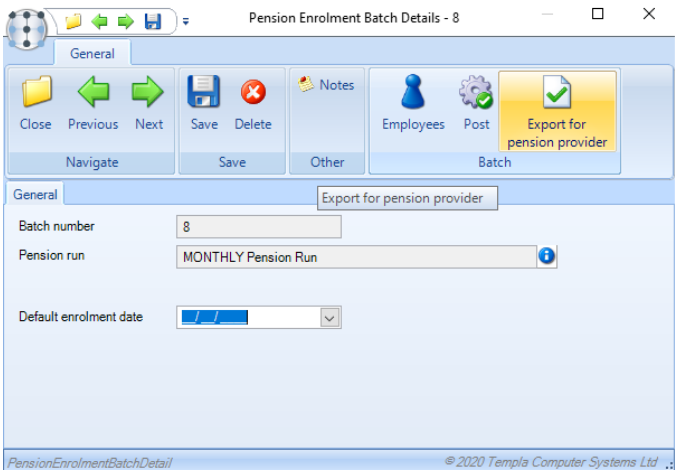


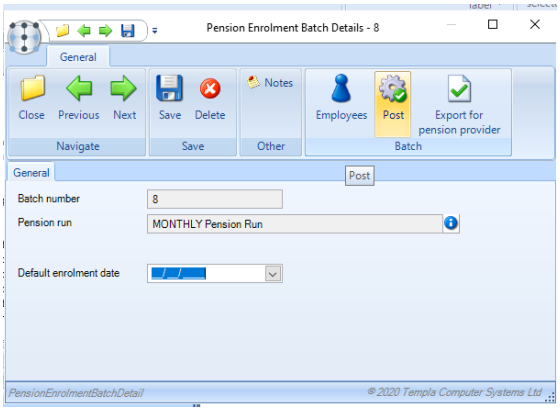
Once the necessary changes have been made, the membership export file can be created via clicking on the *Export for pension provider* button on the enrolment batch:



This option will create a CSV File in the selected location formatted to match the NEST CSV requirements with the necessary header and footer records.

If the CSV file or some of its records is/are rejected by NEST, it is up to the employer to manually fix the issues and resubmit the file (the batch can be deleted and regenerated after making corrections if needed).

Once the CSV file has been successfully uploaded to the NEST website, the enrolment batch can be posted.



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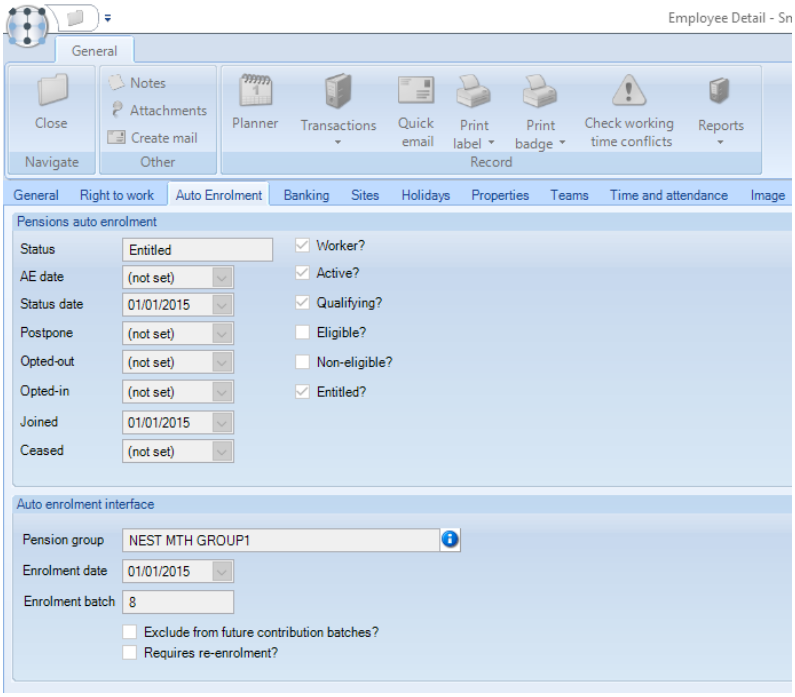
Posting the batch updates the Auto-enrolment tab on the employee record in TemplaCMS accordingly.



This will, in turn, control whether employees are pulled into subsequent member enrolment batches which will only occur for existing enrolled employees if they opt-out (or opt back in).

Any employees who have been successfully enrolled would be rejected by NEST if they are included in any subsequent member enrolment CSV file.

Any cancellation of member enrolment when members have been accidently enrolled will need to be manually actioned by the employer.

TPP does not require a separate enrolment file to be uploaded, however TemplaCMS requires enrolment to be carried out prior to any contributions being made, and this also serves as a useful confirmation that employees are correctly identified and assigned to pension groups, thus reducing the risk of uploading contributions incorrectly.

Therefore, this process needs to be run for TPP, but the enrolment process for TPP pension runs will suppress columns that are relevant to the NEST format, and also prevent the creation of an export file.

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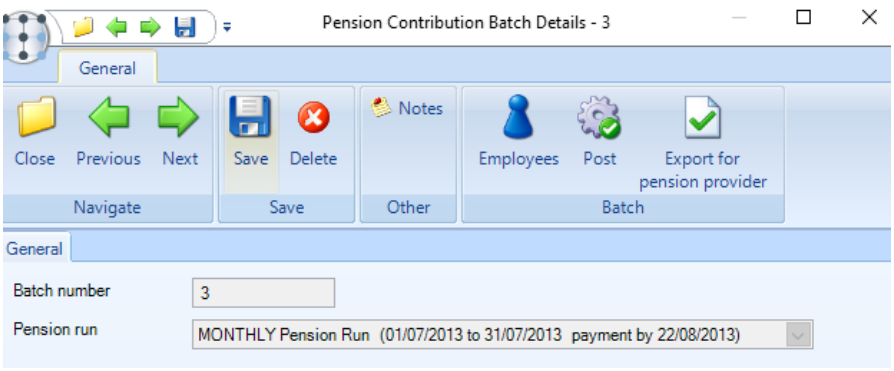
MEMBER CONTRIBUTIONS

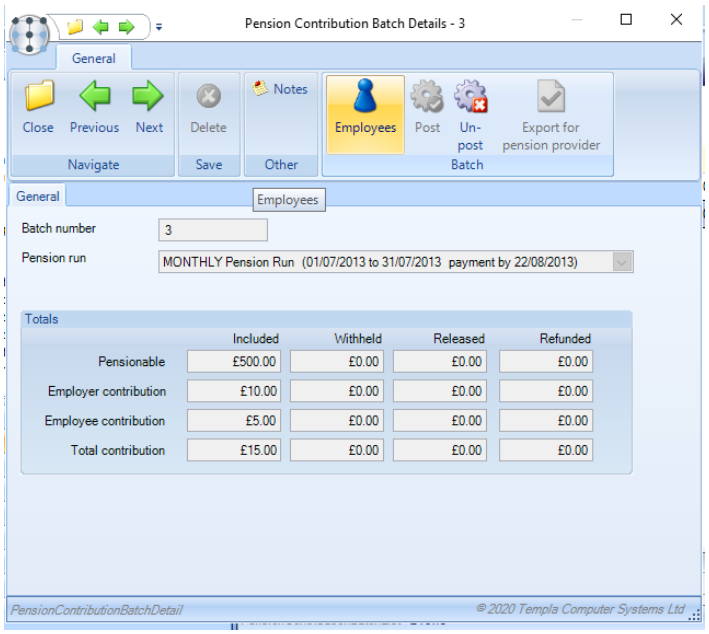
A member contribution batch can be created by clicking on *New* from the *Payroll > HMRC > Pension Contribution Batches* menu and selecting the relevant *Pension run* and *Earnings end date*.



Similar to the initial pay batch generation routine, the *Earnings end date* will only have to be set on the first batch that is generated for the selected *Pension Run*.

Click on *Save* to generate the batch. During the batch generation process the routine will check the *Pension Groups* and *Employer Reference Number* associated with it, as well as that the date entered correlates to the associated pay runs having been processed and period ended in SelectPay. If the routine finds that any of the above checks fail at this point, the user will receive a message saying *'This selection cannot be run at this time – outstanding payrolls'*.

Once the batch has been generated, the details can be viewed via clicking on the *Employees* button on the batch header screen or from the *Payroll > HMRC > Pension Contributions* menu option.



Enrolled employees from all multiple payroll databases could potentially be included within the same member contributions batch if these payrolls share the same frequency and earnings period. Employees will still be included even if the processing determines there are no contributions to be made for the given period.

TemplaCMS will only attempt to auto-populate mandatory fields, i.e. fields 1-8 on the detail record. It is not possible to manually add or remove employee contribution details from this list, but it is possible to edit certain key fields that TemplaCMS may not be able to correctly populate, namely:

- Field 9, Reason for partial or non-payment of contributions
- Field 10, Effective date of partial or non-payment (NEST only)
- Fields 11-16 for member contribution to new or second group (NEST only)
- Fields 17-18 for opt-out (NEST only)
- Fields 19-21 for second enrolment (NEST only)

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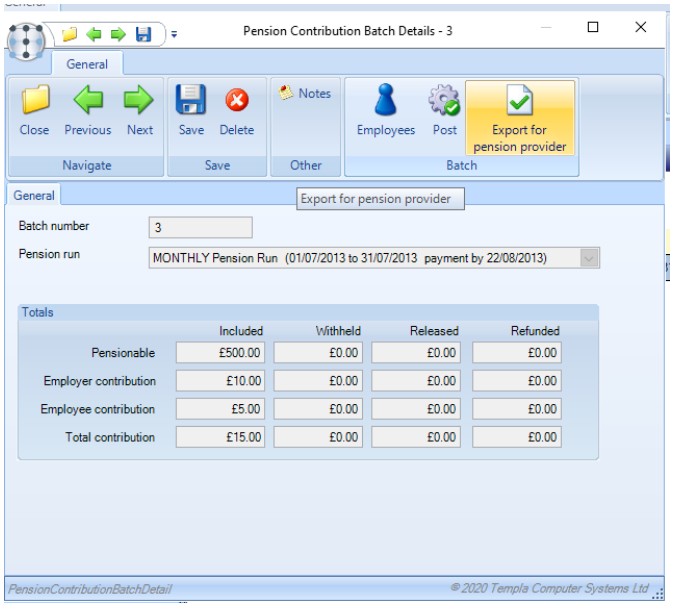
TemplaCMS will not attempt to populate any fields after field 8 on the detail record, i.e. nothing in relation to reasons for partial or non-payment of contributions, new or second group details, opt-outs or second enrolment.

The *Withheld* flag can be checked if required, and will exclude such employees from the subsequent export file if applicable. These contributions could be held back by the company during the employee's opt-out period, to be either refunded to the employee or released for payment to NEST via the NEST Exception file option – see next section.

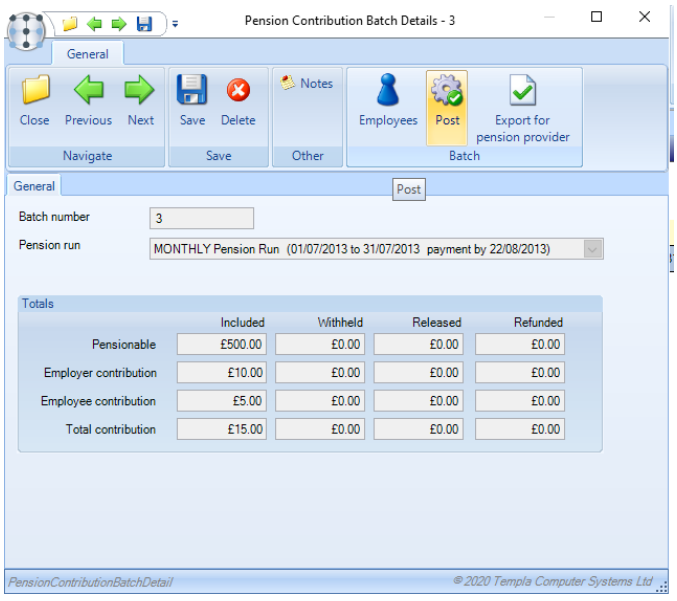
Once the necessary changes have been made, the contribution file can be generated by clicking on the 'Export for pension provider' button.



This will create a CSV file at the selected location, formatted to match the **NEST or TPP** CSV requirements with the necessary header and footer records.

If the CSV file or some of its records are rejected by NEST, it is up to the employer to manually fix the issues and resubmit (the batch can be deleted and regenerated after making corrections if needed).

Once the resulting CSV file has been successfully manually uploaded to NEST or TPP, the payroll department can *Post* the batch.



Posting the contribution batch will result in the relevant pay run batches being flagged as processed for member contributions.

Finally, it should be noted that *no BACS* file will be created for the periodic contribution payments – this will be a manual off-line process for the employer to action.

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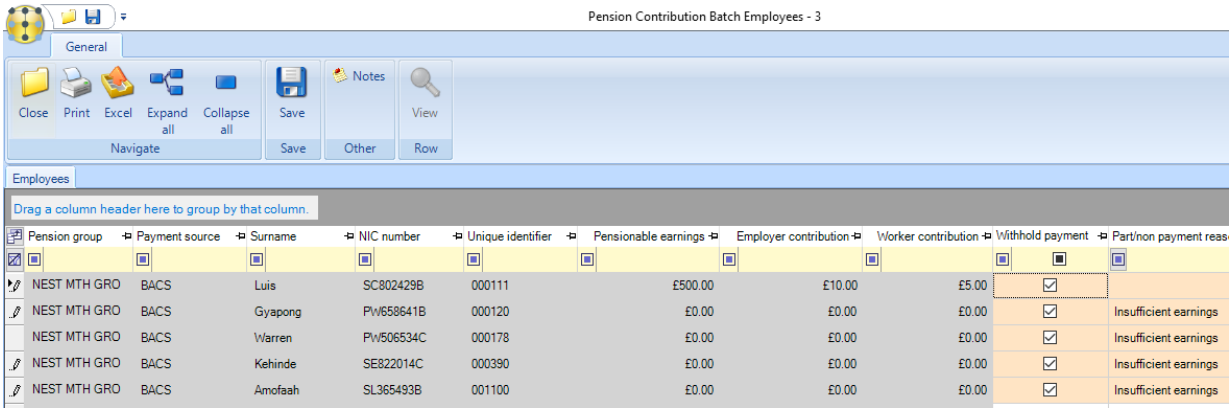
NEST EXCEPTIONS

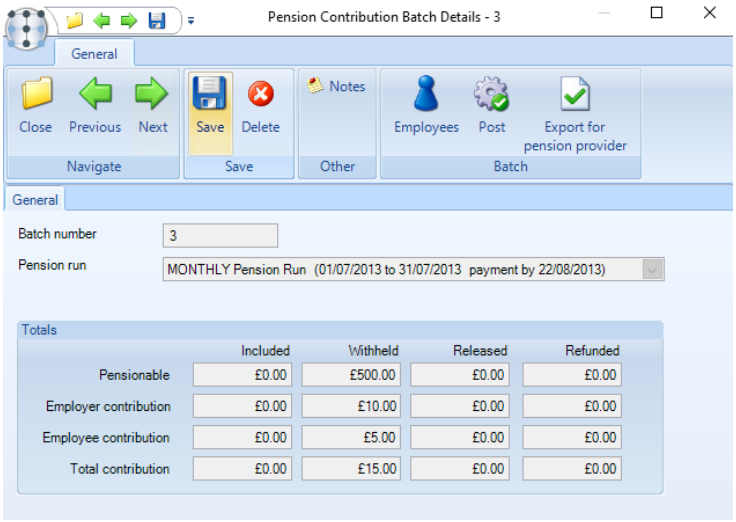
During the preparation of pension contribution batches, the user may manually decide to 'withhold' the upload of payments for selected employees. These are excluded from the export file, but continue to exist in the 'contributions' table, marked as 'withheld'.

Pension Contributions

Individual employee payments can be withheld by checking the 'Withhold payments' box next to the relevant employee on the contribution batch before posting.



On the batch header the 'Withheld' field will be updated to reflect the total value of *Witheld* payments in the batch.



On posting a contribution batch, all contributions flagged as *Withheld* will be given a status of *Withheld*, whilst other contributions will be *Paid*.

Pension Exception Batches

The Exception batch process allows the user to create exception batches on demand, where each batch created requires that the user specify the 'pension run'. Unlike a contribution batch, there are no dates associated with an exception batch.

On saving a new exception batch, the 'generation' process identifies all contribution items from contribution batches of the same pension run, that have their 'payment status' (as above) set to *Withheld*.

Once generated, the user can review the contribution items in the exception batch, and can change the 'exception payment status' to one of the following:

- Withheld (the default)
- Released
- Refunded

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Prior to the creation of the NEST export file, the user must select an *Exception reason* from a pre-defined list of reasons that NEST will accept. Beyond ensuring the reason is specified, no further validation will be performed on this reason. It is therefore the users' responsibility to ensure that the reason selected is correct for the combination of employee contributions in the exception batch.

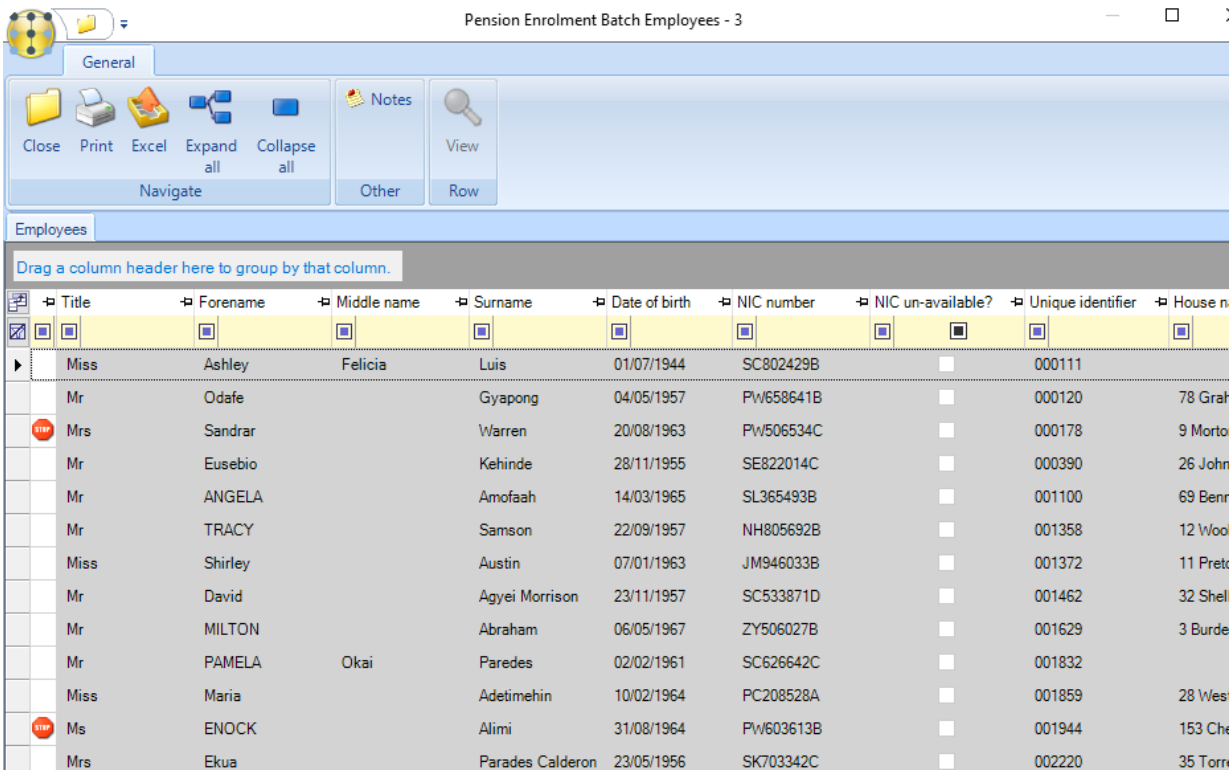
Note that the export file will only contain contribution items from the exception batch that have been marked as *Released*.

Once successfully exported and uploaded to NEST, the exception batch can be posted. On post, the items will be processed based on their 'exception payment status' as follows:

- Withheld – if the contribution item is still withheld, it has not been processed in this exception batch. As such, the contribution item can be included in a subsequent exception batch.
- Released – the contribution item will be updated to Released. The item will remain linked to both the exception batch and the original contribution batch, thus both will reflect the total value of released contributions.
- Refunded – the contribution item will be updated to Refunded. The item will remain linked to both the exception batch and the original contribution batch, thus both will reflect the total value of the contributions.

NEST PENSION ENROLMENT VALIDATION

Where a NEST pension enrolment batch has been generated, the list of items includes a column which shows validation errors which may fail the NEST import validation. Where an employee's town is blank or an employee's postcode is viewed to be invalid, a 'Stop' icon will indicate that the employee's address is in error.



	Title	Forename	Middle name	Surname	Date of birth	NIC number	NIC un-available?	Unique identifier	House n
	Miss	Ashley	Felicia	Luis	01/07/1944	SC802429B		000111	
	Mr	Odafe		Gyapong	04/05/1957	PW658641B		000120	78 Grah
STOP	Mrs	Sandrar		Warren	20/08/1963	PW506534C		000178	9 Morto
	Mr	Eusebio		Kehinde	28/11/1955	SE822014C		000390	26 John
	Mr	ANGELA		Amofaah	14/03/1965	SL365493B		001100	69 Benr
	Mr	TRACY		Samson	22/09/1957	NH805692B		001358	12 Wool
	Miss	Shirley		Austin	07/01/1963	JM946033B		001372	11 Pret
	Mr	David		Agyei Morrison	23/11/1957	SC533871D		001462	32 Shel
	Mr	MILTON		Abraham	06/05/1967	ZY506027B		001629	3 Burde
	Mr	PAMELA	Okai	Paredes	02/02/1961	SC626642C		001832	
	Miss	Maria		Adetimehin	10/02/1964	PC208528A		001859	28 Wes
STOP	Ms	ENOCK		Alimi	31/08/1964	PW603613B		001944	153 Che
	Mrs	Ekua		Parades Calderon	23/05/1956	SK703342C		002220	35 Torr

Exporting a NEST pension batch also validates all employee lines and indicates where any address errors have been found. If any errors are detected the user is prompted as to whether they still wish to export the batch or not.

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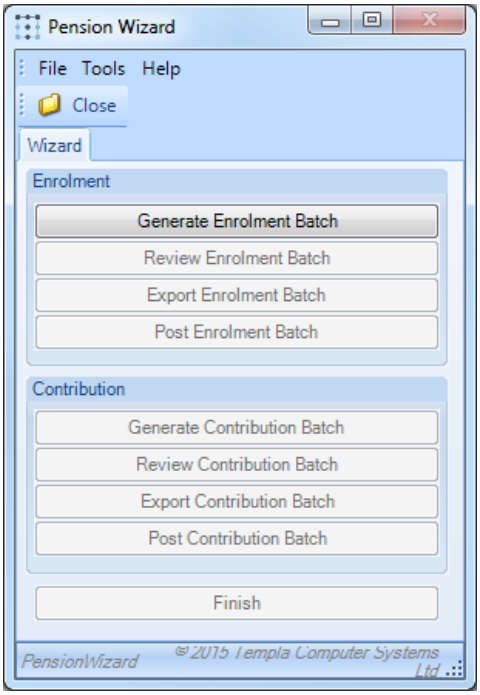
PENSION WIZARD

The *Pension Wizard* can be accessed from the under *Payroll >HMRC* menu.

Bringing up the wizard starts a process to guide the user through the process of generating, exporting and posting an enrolment batch followed by a contribution batch. Exiting the wizard before completing the process prompts the user with a relevant message, deleting any un-posted batches if the user so wishes.



The entire pension wizard process is function controlled by the function ‘PensionWizard.Amend', thus a user can generate and post their batches from the wizard without requiring the standard pension enrolment and contribution batch functions.

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