Getting Started Tutorial – Configuring Pay Elements

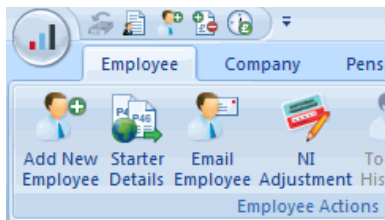**IRIS Payroll**

April 2016

Contents

Getting Started Tutorial – Configuring Pay Elements

The Getting Started Tutorials are designed to guide you through common payroll tasks using step by step instructions.

Remember there is a **Help** button on most screens, which will always give assistance specific to that task.

In these tutorials we assume that the **Ribbon** is fully expanded, (i.e. taking up the whole of your screen) so you should be able to see the buttons and groups in full. If not, you may need to click on the group to see the buttons within it. For example:

Maximised screen   **Minimised screen**
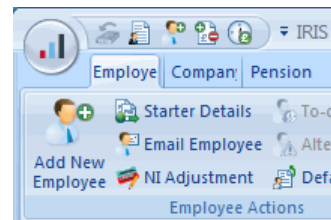
Use the Demonstration Company

You will be using the **Demonstration Company** for this tutorial. For details on how to access the Demonstration Company, click **here**.

Configuring pay elements

In the payroll, gross pay is made up of **Salary**, **Hourly Rates**, **Payments and Deductions**, **Attachment of Earnings Orders**, **Pensions**, **Loans**, and the statutory payments **SSP**, **SMP**, **SPP**, **ShPP** and **SAP**. This tutorial explains how to configure all of these except the statutory payments – please see the **How To Guides** on the **Help** tab.
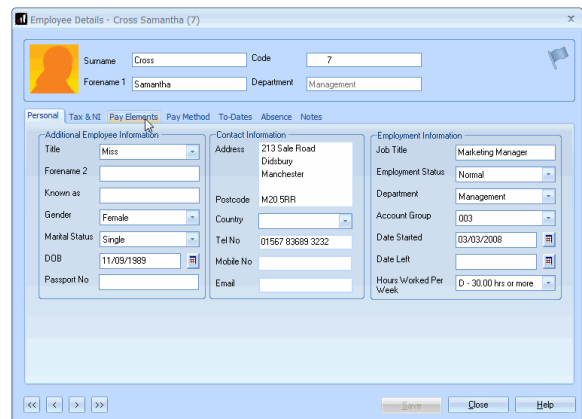
Salary

Salary is the only pay element that is not configured at company level. It is set up in each individual employee's details.

How to set up a weekly Salary of £500 for employee Samantha Cross

1. Double-click **7 Cross, Samantha** from the Selection Side Bar
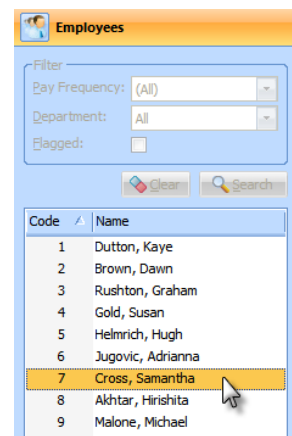
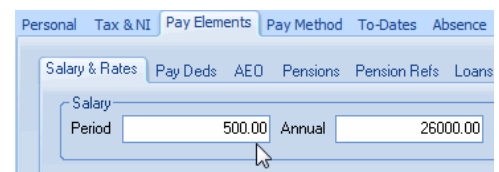2. Select the **Pay Elements** tab within the **Employee Details** screen

3. The **Salary & Rates** tab opens automatically

   Salary information is located at the top of the **Salary & Rates** tab. (You can enter an amount in either the **Period** or the **Annual** box. Whichever you choose, the system will calculate the other value for you.) Enter a new **Period** salary of £500. Click **Save**, then **Close**

Hourly Rates and Overtime Factors

Set these up at company level first, and then assign them to employees.

How to create a new Hourly Rate at Company level

For this example we will call the rate **Administration**.

1. Click on the **Company** tab then the **Hourly Rates** button

2. On the **Hourly Rates** tab you will see one rate, **Basic**, is automatically set up. (In the **Demonstration Company** several rates more have been added)

3. Click the **Add New** button to open the **Create Pay Rate** screen
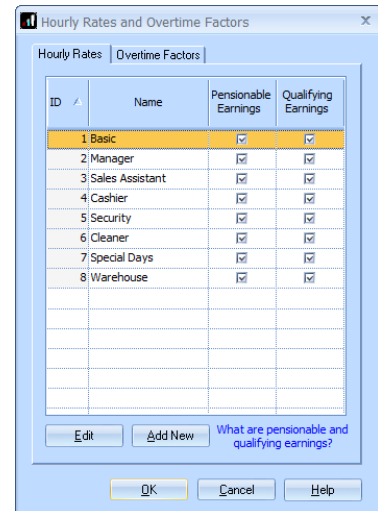
4. In the **Name** field enter **Administration**

5. Tick the **Pensionable** box to make this rate part of pensionable pay and tick **Qualifying** to make this part of qualifying earnings, if required
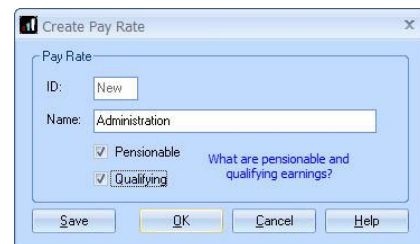
6. Click **OK** and the new **Hourly Rate** is added to the list

Overtime Factors

Clicking the **Overtime Factors** tab allows you to see the five factors which are automatically set up in every company. You can amend any of these or add a new one
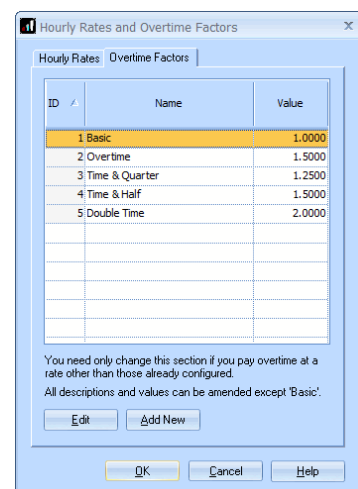
How to assign the hourly rate

To assign the new **Hourly Rate** to Samantha Cross, who is paid £10 per hour as an administrator:-

1. Double-click **7 Cross, Samantha** in the Selection Side Bar

2. Select the **Pay Elements** tab within her **Employee Details** screen

   The **Salary & Rates** tab opens automatically. **Hourly Rates** and **Overtime factors** are entered in the main grid on this screen

3. Click on the word **<None>** in the grid, underneath the second **Manager** rate. Click the arrow that appears and from the list of available rates select **Administration**

4. In the **£/Hour** column enter 10.00

5. Click **Save**, then **Close**

> **Please note**: If the employee always works the same amount of hours at a particular rate, you can enter those hours in their **Salary & Rates** tab, and you will not have to keep entering them during the **Enter Variations** process.

Payments and Deductions

Create these at company level first, and then allocate them to employees. There are many different types of **Payments and Deductions** and although this tutorial deals with only one, the basic process remains the same for all of them. For further detail see the **Manual** on the **Help** tab.

Setting up a Payment

To set up a new 'Additional Bonus' **Payment** at company level:

1. Click on the **Company** tab then the **Payments & Deductions** button

2. Select **Configure Payments & Deductions**

3. Click **Add New**

4. In the **Name** field enter Additional Bonus for your **Payment**; this will appear on your payslips and reports

5. Click on the drop down arrow next to **Type** and select **Payment**

   The **Type** you select controls the other options that appear on screen

6. For this example, make sure the **Taxable**, **NIable**, **Pensionable Earnings** and **Qualifying Earnings** boxes are ticked. Leave **Method** as **Value**

7. Click **OK** and the new payment or deduction will appear in the grid

8. Click **OK** again to close the grid

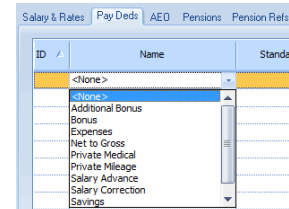### Allocating a payment

To allocate the new **Payment** to Samantha:

1. Double-click **7 Cross, Samantha** in the Selection Side Bar

2. Click her **Pay Elements** tab then the **Pay Deds** tab

3. Click on the word **<None>** in the grid, and then click on the arrow which appears

    The drop down list shows all the **Payments & Deductions** available

4. Select **Additional Bonus** and the rest of the row will be completed for you

> **Please note**: In this tutorial, the **Standard Amount** is zero so we can enter a new amount each time in **Enter Variations**. If you want the same amount to be paid each time, enter it here.

5. Click **Save**, then **Close**

For more detailed help on setting up **Payments and Deductions**, click the **Help** button on the screen, or press **F1** on your keyboard.
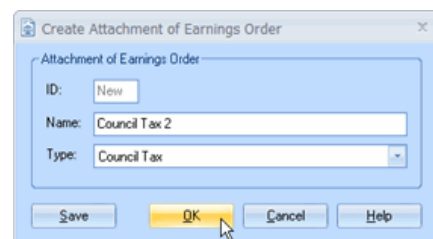
Attachment of Earnings Orders

These also need to be set up at company level then allocated to employees. There are several types of **Attachment of Earnings Orders** (**AEO**); this tutorial deals with only one but the process is similar for all. For more detail see the **Manual** on the **Help** tab.

For this example we will create a second council tax deductions **AEO**. First, we'll create it at company level then apply it to employee Samantha Cross.

### How to create a second Attachment of Earnings Order (AEO) for Council Tax

1. Click on the **Company** tab then the **Payments & Deductions** button

2. Select **Configure Attachment of Earnings Orders**

   Five default AEOs are created automatically for you in each company

3. To create a new one, click **Add New**

4. Enter 'Council Tax 2' in the **Name** field. Leave the **Type** as **Council Tax**

5. Click **OK** then **Close** and the attachment will be added to the list

Allocating the Attachment of Earnings Order

To allocate the new **AEO** to the employee:

1. Double-click **7 Cross, Samantha** in the Selection Side Bar

2. Click her **Pay Elements** tab and then the **AEO** tab

3. Click on the word **<None>** in the grid, and then click on the arrow which appears

4. The drop down list shows all the **AEOs** created at company level. Select the **Council Tax 2 AEO** and the rest of the row will be completed for you
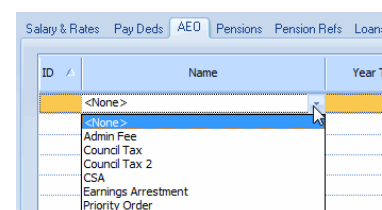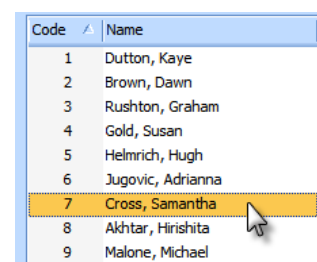
   With **Council Tax** orders the system calculates the correct deductions for you, but you must record details of the order by clicking the **Edit** button at this point

5. Click the **Save** button, and then **Close**

www.iris.co.uk/customer

Pensions

Set these up at company level then allocate them to employees. There are many types of **Pension**; although this tutorial deals with only one the process is similar for all. For further details see the **Manual** and also the **Pensions Guide.** The **Pensions Guide** gives detailed information on **Auto Enrolment**.

Creating a Pension Deduction

To create a **Pension** at company level:

1. Click on the **Pension** tab, then select **Configure Pensions**

2. Click on the **Add New**

3. Type in the **Name** field the description of the **Pension**, 'AVC 2'

4. Click on the drop down arrow next to **Type** and select **FSAVC (Without Tax Relief)** from the list

5. Leave the other options as they are, then click **OK**

6. The new Pension appears in the list – click **Close**
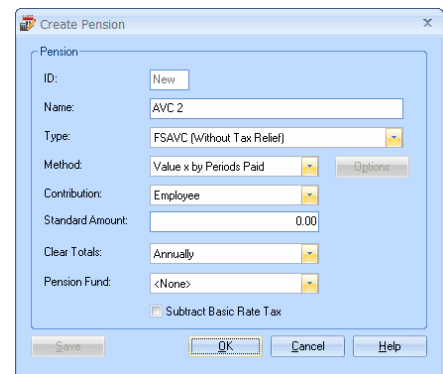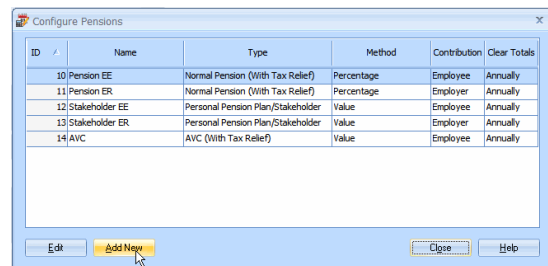
Allocating the Pension

To allocate the **Pension** to an employee:

1. Double-click **7 Cross, Samantha** in the Selection Side Bar

2. Click her **Pay Elements** tab, then the **Pensions** tab

3. Click on the word **<None>** in the grid, and then click on the arrow which appears

4. The drop down list shows all the **Pensions** created at company level
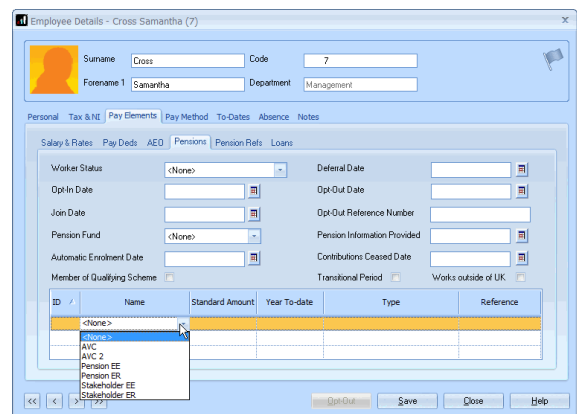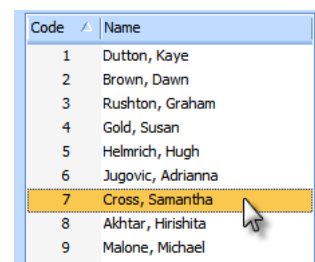
> **Please Note:** for further information regarding the many fields on this **Pensions** tab card, please see **Help | Pension Guide**

5. Select the 'AVC 2' Pension and the rest of the row in the grid will be completed for you

ID	Name	Standard Amount	Year To-date	Type	Reference
23	AVC 2	0.00	0.00	FSAVC (Without Tax Relief)	
	<None>				

For the purpose of this tutorial, we want to be able to enter a new amount each time in **Enter Variations**, so leave **Standard Amount** at zero. If you want the same amount to be deducted each time, enter it here

6. Click **Save,** then **Close**

For more detailed help on setting up **Pensions**, click the **Help** button on the screen or press the **F1** key on your keyboard. For detailed help on **Auto Enrolment**, click the **Help** menu then **Pensions Guide**.
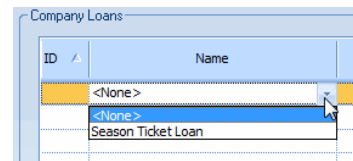
Loans

Loans again need to be set up at company level first, and then allocated to your employees.

They are set up like a normal **Payment/ Deduction** (see previous section) with **Type** set to **Loan** but allocated to employees in a slightly different place.

Allocating a Loan

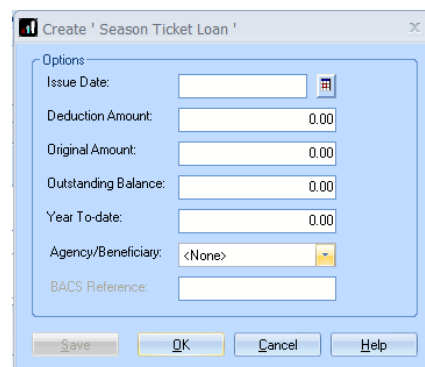To allocate a **Loan** to an employee:

1. Double-click **7 Cross, Samantha** in the Selection Side Bar

2. Click her **Pay Elements** tab then the **Loans** tab

3. Click on the word **<None>** in the grid. Click on the drop down arrow, and the list shows all the **Loans** created at company level

4. Select **Season Ticket Loan** and the rest of the row in the grid will be completed for you

5. Click the **Edit** button
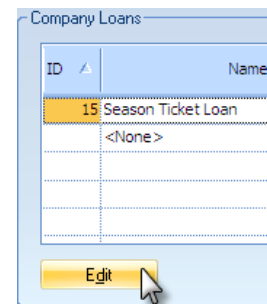
6. Enter the details of the loan into the **Create Season Ticket Loan** screen

7. Enter today's date in the **Issue Date** field

8. **Deduction Amount** is the amount you want to deduct each pay period: enter '25.00'

9. **Original Amount** is the full amount of the original loan: enter '1000.00'

10. **Outstanding Balance** is how much the employee has left to pay: enter '1000.00'

11. **Year-To-Date** is what they have paid towards the loan so far. This field is populated as you **Calculate** and **Finalise** each payroll

12. Click **OK**, then **Cancel**

Further Information

For more information about **Pay Elements,** click the **Help** button on any of the **Pay Elements** screens.

Additional Software and Services Available

IRIS AE Suite™

The IRIS AE Suite™ works seamlessly with all IRIS payrolls to easily manage auto enrolment. It will assess employees as part of your payroll run, deduct the necessary contributions, produce files in the right format for your pension provider* and generate the necessary employee communications.

IRIS OpenPayslips

Instantly publish electronic payslips to a secure portal which employees can access from their mobile phone, tablet or PC. IRIS OpenPayslips cuts payslip distribution time to zero and is included as standard with the IRIS AE Suite™.

IRIS Auto Enrolment Training Seminars

Choose from a range of IRIS training seminars to ensure you understand both auto enrolment legislation and how to implement it within your IRIS software.

Useful numbers

HMRC online service helpdesk	HMRC employer helpline
Tel:　　0300 200 3600 Fax:　　0844 366 7828 Email:　helpdesk@ir-efile.gov.uk	Tel:　　0300 200 3200 Tel:　　0300 200 3211 (new business)

Contact Sales (including stationery sales)

For IRIS Payrolls	For Earnie Payrolls
Tel:　　0844 815 5700 Email: sales@iris.co.uk	Tel:　　0844 815 5677 Email: earniesales@iris.co.uk

Contact support

Your Product	Phone	E-mail
IRIS PAYE-Master	0844 815 5661	payroll@iris.co.uk
IRIS Payroll Business	0844 815 5661	ipsupport@iris.co.uk
IRIS Bureau Payroll	0844 815 5661	ipsupport@iris.co.uk
IRIS Payroll Professional	0844 815 5671	payrollpro@iris.co.uk
IRIS GP Payroll	0844 815 5681	support@gppayroll.co.uk
IRIS GP Accounts	0844 815 5681	gpaccsupport@iris.co.uk
Earnie or Earnie IQ	0844 815 5671	support@earnie.co.uk