Getting Started Tutorial - The Payroll Cycle

IRIS Payroll

April 2016

Contents

The Payroll Cycle

The Getting Started Tutorials are designed to guide you through common payroll tasks using step by step instructions.
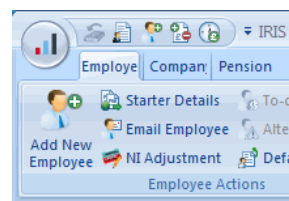
Remember there is a **Help** button on most screens, which will always give assistance specific to that task.

In these tutorials we assume that RTI is enabled and 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.
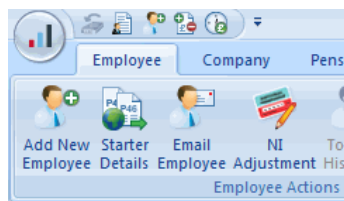
Maximised screen   **Minimised screen**

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**.

The Payroll Cycle

We recommend you always think of payroll as a cycle, which consists of steps like those described in the **Getting Started Guide**.

This diagram provides you with a basic summary of the steps you need to complete in each cycle:
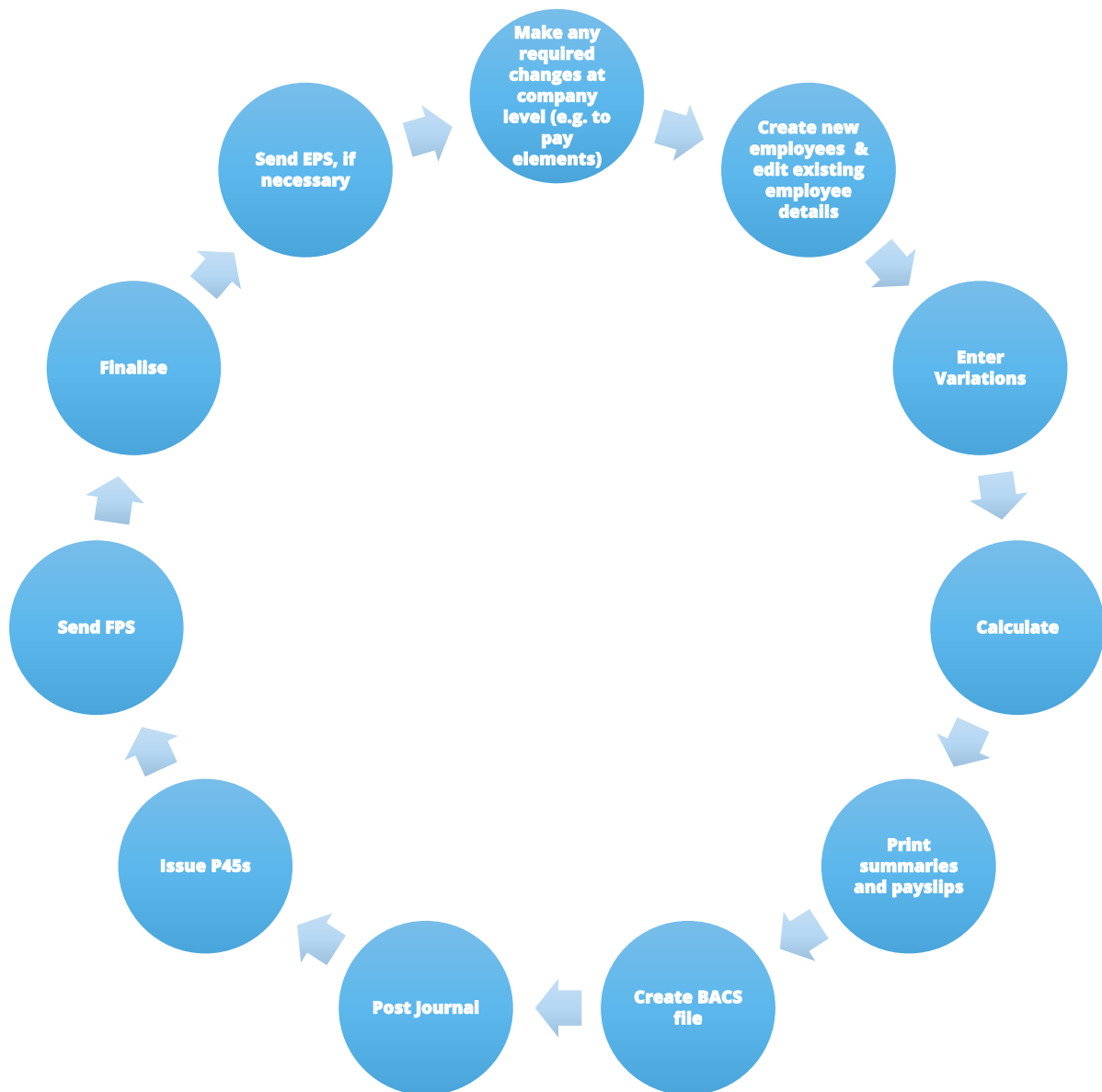
In this tutorial you will go through a payroll cycle in the **Demonstration Company**.

Company level changes
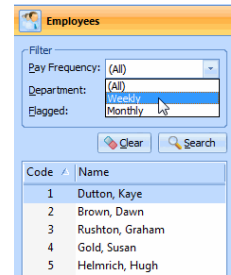
The first stage in the payroll cycle is to make any required changes at Company level. These may be, for example, new payments or deductions, new rates of pay or overtime factors, changes to bank account details or a new holiday set up.

Create new employees and edit employee details

Next, you might need to add new starters to the payroll. See the **Create New Employee** tutorial for details. This is also the stage where you need to make changes to existing employees, such as changes to their personal details or to their pay elements. See the **Configuring Pay Elements** tutorial for further information. These tutorials can be accessed via **Help** tab| **Getting Started**.

Enter Variations

Each employee has their standard pay set up in the **Pay Elements** section of their **Employee Details** screen. You only need to **Enter Variations** for those employees whose pay in a period is different from the standard set up.

Here is an example of how to **Enter Variations**.

These are the details of the variations you are going to enter. Use this information to complete each tab as required.

Pay Variations - Week 10	
Employee No and Name	**Variation**
1 Dutton, Kaye	Bonus = £100
2 Brown, Dawn	OVERTIME 15 hours @ Cashier Rate with factor time and a half
3 Rushton, Graham	Zero hours

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1. On the **Selection Side Bar**, in the **Filter** section, click the drop down arrow next to **Pay Frequency**, and select **Weekly**

2. With the mouse, click on **1 Dutton, Kaye** to highlight her name, press and hold down the CTRL key on your keyboard, and then click on **2 Brown, Dawn** and **3 Rushton, Graham**. This should leave three employees highlighted
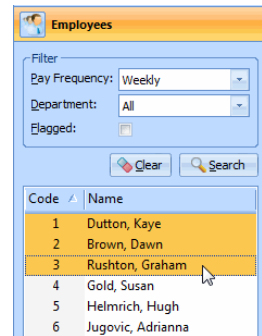
    Please note: You can also use this method of selecting various employees for other functions such as printing reports

3. Click the **Pay** tab then the **Enter Variations** button

4. This opens the **Enter Variations for Week 10** screen, for Kaye Dutton
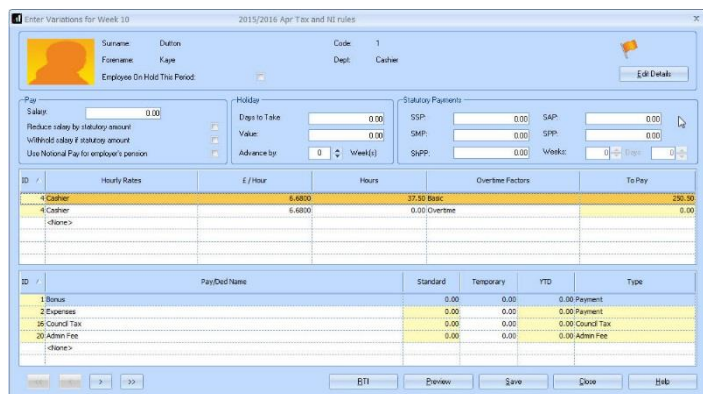
5. You need to enter a **Bonus** for Kaye this week; everything else remains the same as in her **Employee Details**. The **Payments and Deductions** section is on the bottom third of the screen

6. As Kaye already has **Bonus** set up within her **Employee Details**, it is already present on the screen, but with a zero **Standard**

7. Click in the **Temporary** box in the grid next to **Bonus** and enter 100

8. Click **Save** to save the variations and move to the next employee, Dawn Brown

9. You need to enter some overtime for Dawn this week; everything else remains the same as in her **Employee Details**. The **Hourly Rates** section is in the middle third of the screen

10. Click on the word **<None>** in the grid and a list of the available **Hourly Rates** set up at Company level will drop down
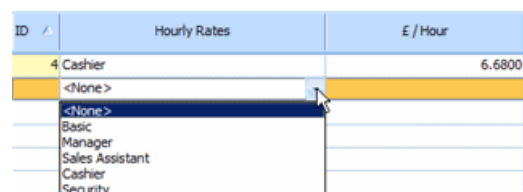
11. Select **Cashier** from the list

12. The normal **£/Hour** of 6.68 appears in the next column. Click in the **Hours** box next to that and enter 15

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13. The next column along is **Overtime Factors**, which is currently displaying **Overtime**. Click in the box, then on the drop down arrow and select **Time & Half** from the list

Hours	Overtime Factors
54.00	Basic
15.00	Overtime
	Overtime
	Time & Quarter
	Time & Half
	Double Time

14. The final column, **To Pay**, should now show 150.30

Hours	Overtime Factors	To Pay
54.00	Basic	360.72
15.00	Time & Half	150.30

15. Click **Save** and the **Enter Variations** screen for Graham Rushton will open

16. All you need to do here is zero Graham's standard hours, so in the **Hourly Rates** section, click in the **Hours** column next to the rate **Cleaner**, and enter 0.

ID	Hourly Rates	£ / Hour	Hours	
6	Cleaner	6.5000	0	Basic
6	Cleaner	6.5000	0.0	Overtim
	\<None\>			

17. The final column, **To Pay** should now show 0.00

| Hours	Overtime Factors	To Pay
0.00	Basic	0.00
0.00	Overtime	0.00

18. Click **Save** and the **Enter Variations** screen will close

Calculate

When you have finished entering all of your variations for the current pay period, you need to **Calculate** the payroll. Without performing **Calculate**, the remaining payroll functions may not be available.

1. Select the required **Pay Frequency** on the **Selection Side Bar** (for this tutorial, choose **Weekly**)

2. Click on the **Pay** tab and then the **Calculate** button

3. The software then calculates the pay for all employees (on the selected pay frequency) except for anyone **On Hold**. (You can put an employee **On Hold** in **Employee Details** on their **Tax & NI** tab, if you know you aren't going to be paying them for a while.)

4. For the purposes of this tutorial, we have created anomalies, in order to demonstrate what you need to do in this situation

   You should now see the following message on the screen:
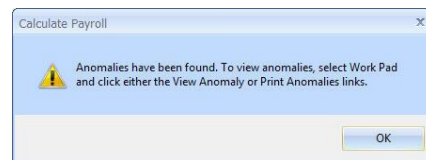
5. Click **OK**, and then click on the **Work Pad** tab on the right of the screen. The **Work Pad** slides out

6. You will see that in the **Payroll Anomalies** section, two employees are listed

7. Click the **Print Anomalies** hyperlink underneath that section and the **Anomaly Report** will be sent to the screen, detailing what the system thinks are the problems with those employees. This allows you to make any amendments you might need. Sometimes anomalies can be caused by perfectly valid situations and can safely be ignored

   Please note: If you find you have made mistakes, or just need to make changes, you can **Enter Variations** and then **Calculate** again

Print Summaries and Payslips

The next stage is to print your payroll summaries, ensure your figures are correct and then print your payslips.

To print the Payroll Summary:

1. Click on the **Pay** tab

2. On the **Selection Side Bar**, click on the **Pay Frequency** drop down and select **Weekly**

3. Click the **Print Summaries** button

4. Select **Payroll Summary** from the list

5. The Payroll Summary Pages 1 and 2 will be sent to the screen. To send them to the printer, click on the **Print** button in the bottom right

6. Click **Close**

7. As this tutorial is using the **Demonstration Company**, there are other employees included in the report, but in a normal situation you would now check those figures

To publish/print Payslips:

1. Click on the **Pay** tab

2. On the **Selection Side Bar**, click on the **Pay Frequency** drop down and select **Weekly**

3. Click the **Print Payslips** button

4. The Payslips will be sent to the screen. (The default payslip report is **IRIS Payslip – Laser with Address**. You can change the payslip report in use via the **Report Manager**. See the online **Manual** on the **Help** tab for more details)

5. To publish the payslips click **Publish**, under the **OpenPayslips** section, or to send to the printer, click on the **Print** button

6. Click **Close**

Create BACS file

If you pay your employees by BACS you can use the **Create BACS File** button to view or print a BACS Schedule report and create the output file. The printed schedule and the output file are created at the same time.

To set up the BACS report:

You first need to select the BACS file you are going to create. You should only need to set this up once

1. Click on the **Reports** tab, and select **Reports Manager**

2. From the list of **Categories** on the top left, select **BACS/Payments**

3. The list of available BACS reports will appear underneath the **Categories**. At this stage you would choose your own BACS software, click on the report name on the left and drag it across to the **Selected Reports** section on the right of the screen
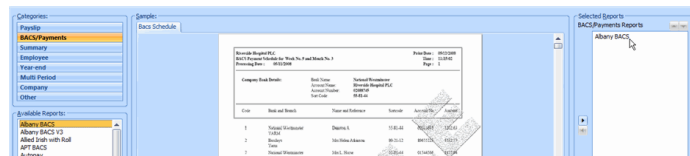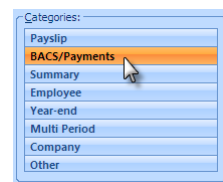
4. Click **Save** then **Close**

To create the BACS report and file:

1. Select the required **Pay Frequency** on the **Selection Side Bar** (for this tutorial, choose **Weekly**)

2. Click on the **Pay** tab, then the **Create BACS File** button

3. The BACS Payment schedule will be sent to the screen
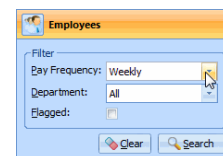
   Please note: At the same time as the report is sent to the screen, the BACS file is created in the folder where you installed the software, for example, C:\PROGRAM FILES\IRIS SOFTWARE. You will need to direct your BACS software to pick up the file from that location

4. Click **Print** for a hard copy

5. Click **Close** to close the print preview

> **Please note**: At this point you can still **Enter Variations** and **Calculate** if you find you need to, but you will need to reprint your reports and payslips afterwards
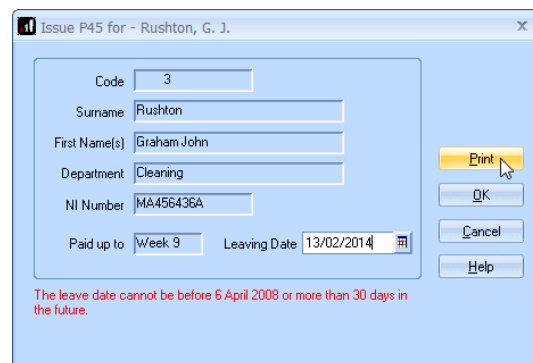
Post Journal

At this stage you would post your journal, if your system is linked to Accounts software. For further details on configuring an accounts link and posting a journal, see the online **Manual** on the **Help** tab.

Issue P45s

If you have any leavers you need to issue P45s now.

You are going to make Graham Rushton a leaver:

1. Click on **3 Rushton, Graham** in the **Selection Side Bar** to highlight his name

2. Click on the **Employee** tab then **P45 Leaver**

3. Graham's details appear on the screen

4. If you are satisified with these details, click **Print** to view the P45 Part 1

5. On the print preview screen, click **Print** then **OK** to print the form, then click **Close**

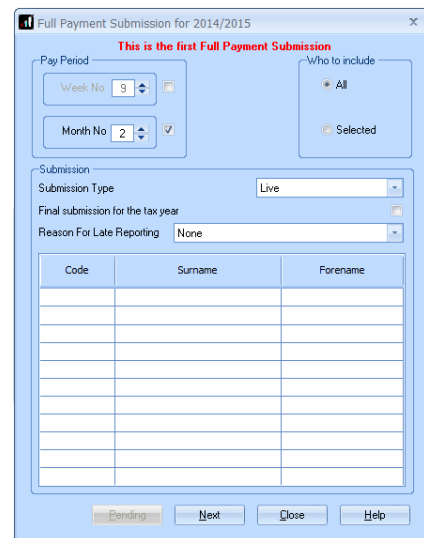6. The **Issue P45** screen will still be visible. Click **OK**
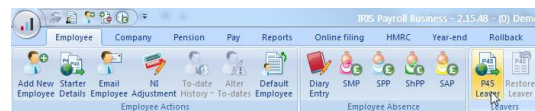
Send an Full Payment Submission (FPS)

Each time you pay your employees you need to send a **Full Payment Submission** to HMRC via the Government Gateway, on or before the pay date.

The **FPS** contains employee's pay period and year to date figures, forename, surname, birth date, address, hours worked, details of new starters and leavers, the **Payment after leaving** indicator and the **Irregular Payment** indicator.

1. Click on the **Online Services** tab

2. Select **Send Full Payment Submission**

3. Enter **Pay Period**

4. Who to include should display **All** unless you are resending for an individual (See **RTI Guide** – What if I make a mistake)

5. **Submission Type** should show **Live**

6. Click **Next**

7. Check the figures on the **Final Confirmation** screen

8. If required, click **Print Summary** or **Print Details**. **Print Summary** will give a report showing the totals due. **Print Details** will give a breakdown of all employees

9. Click **Send**

Finalise

This is the last, essential stage of the payroll cycle. When you are satisfied that the figures for the pay period are correct, you must **Finalise** before you can begin processing the next pay period.

To **Finalise** week 10 in the **Demonstration Company**:

1. Select the required **Pay Frequency** on the **Selection Side Bar** (for this tutorial, choose **Weekly**)

2. Click on the **Pay** tab and then the **Finalise** button

3. The following message is displayed:

4. Click **Yes**
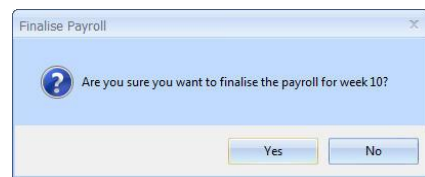
5. When the **Finalise** process is finished, this final message appears:

6. Click **OK**, and the system is ready for you to begin the payroll cycle for the next pay period
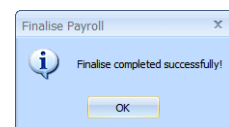
    Please note: Once you have finalised all of the pay periods within a tax month, you will see a message on the screen informing you to do the Month end processing

Send an Employer Payment Summary (EPS)

If there are any changes to the payment HMRC are expecting, you need to send an **Employer Payment Summary**. For example, you are paying an employee SMP and have reduced the payment to HMRC by the SMP Recovered amount or perhaps because no employees were paid in the current month.

You can send the **EPS** as part of the **Month End Summary** process or separately via the **Online Filing | Send Employer Payment Summary**

1. Click on the **Online Services** tab and select **Send Employer Payment Summary**

2. Select the relevant **Month**

3. **Submission Type** should show **Live**

4. If you are submitting an EPS because no employees were paid in the current month, tick the appropriate box and enter the **Date From** and **Date To**

   The **Date From** and **Date To** fields are based on the HMRC tax calendar i.e. 6th of the current month to the 5th of the following month. For example,

   - for a monthly payroll for April you would enter 6th April 2016 in **Date From** and 5th May 2016 in **Date To** or for a quarterly payroll for June you would enter 6th April 2016 in **Date From** and 5th July 2016 in **Date To**

5. Click **Next**

6. The next screen shows the year to date amounts for each month, as required for the EPS. The **Current Month** row contains the amounts which have been calculated for this month. These will be added to the year to date values and submitted **

7. Click **Print** if you need a hard copy of the figures then click **Next**

8. Click **Back** if you want to amend anything, **Send** when you are finished

** **Please Note**: if you start using the payroll or enable RTI mid-year, you will need to manually enter any statutory payment year to date values. On the **EPS** screen, enter the year to date values (inclusive of the current month figures) into the month that you have calculated payroll for. For example, if you start using the payroll in July and have a year to date value for **SMP Recovered** in June of £450, then in July **SMP Recovered** of £100, enter £550 as the year to date value in the July row.

Please Note: further information regarding submitting an EPS and other RTI information can be found in the **RTI Guide**.

Further Information

It is a good idea to create your own work flow chart, enabling you to tick off each step as you go. There are other steps to the payroll process that this tutorial hasn't covered, for example, calculating and paying Statutory Payments, Month end processing etc. These things are comprehensively covered in the online **Manual**, as well as in the **How to Guides**. You can find these on the **Help** tab.

Alternatively, if you need some help with a particular screen click the **Help** button which you can find on most screens, or press the **F1** key on your keyboard, to open the **Manual** directly on the correct topic.

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	Tel: 0300 200 3200
Fax: 0844 366 7828	Tel: 0300 200 3211 (new business)
Email: helpdesk@ir-efile.gov.uk	

Contact Sales (including stationery sales)

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