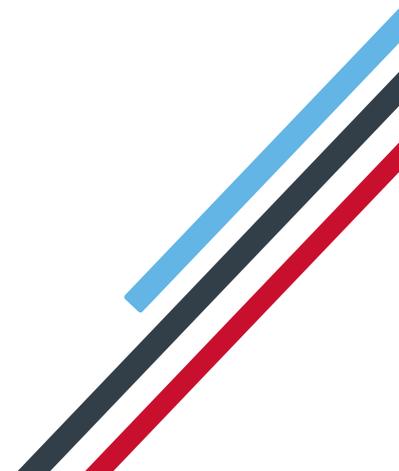




Guide to Workplace Pension Reform

Earnie IQ

April 2017



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Guide to Workplace Pension Reform & IRIS OpenEnrol

This guide will give you a general overview of **Workplace Pension Reform** and what it means for you as an employer. It will also demonstrate how Earnie IQ can help you carry out your new responsibilities.

The guide also gives detailed information relating to IRIS OpenEnrol, the element of the IRIS AE Suite™ which simplifies pension communications.

It will cover:

- How Earnie IQ can help you with
 - Automatic Enrolment
 - Pension Funds
 - Pension Deductions
 - Pension Provider output files
- What is the IRIS OpenEnrol element of the IRIS AE Suite™?
- How to use IRIS OpenEnrol
- Quick Reference & Definitions

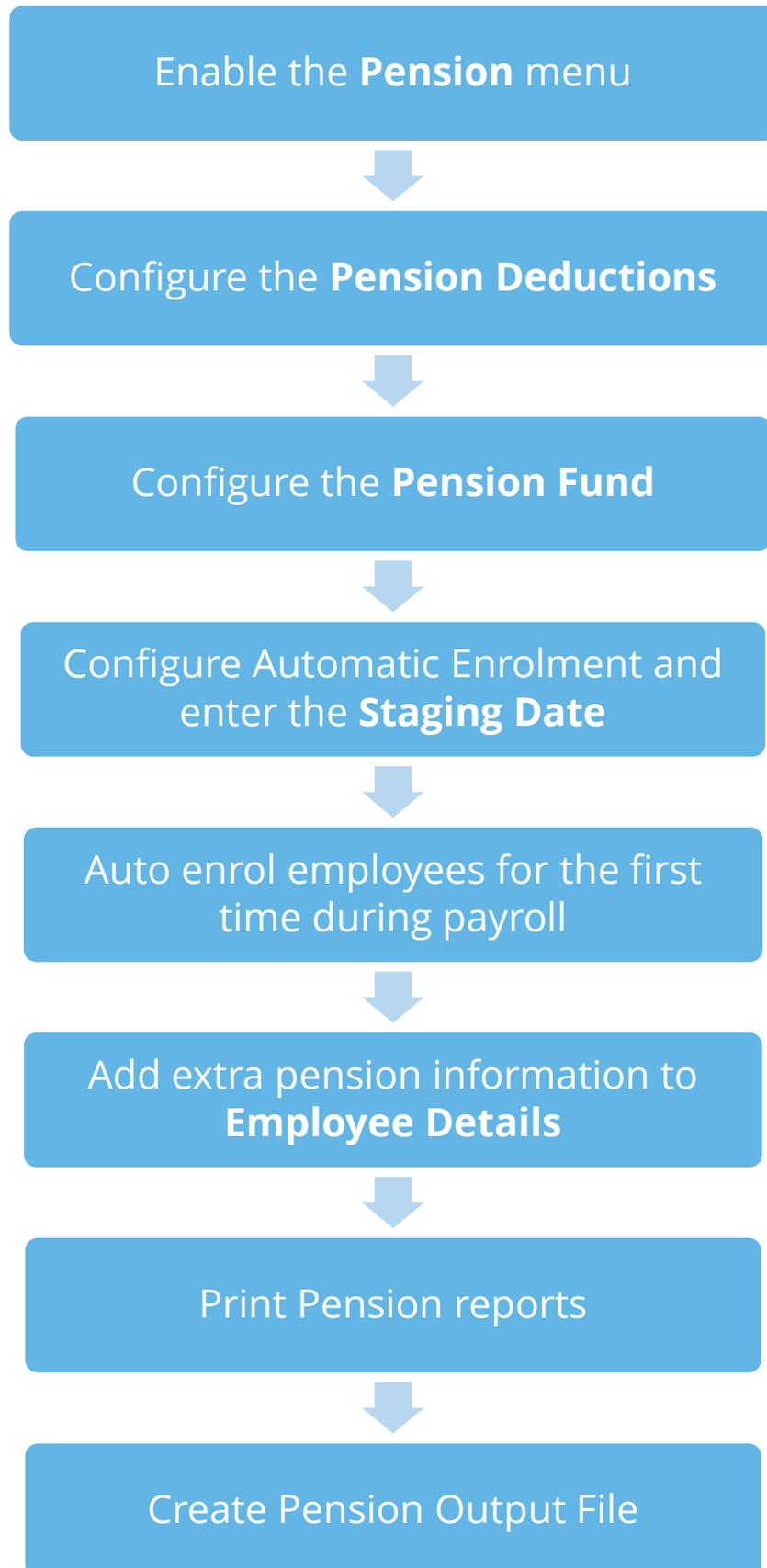
How Earnie IQ can help you with Workplace Pension Reform

The IRIS AE Suite™ has been added to the payroll software to enable you to manage your new or existing **Workplace Pension Scheme** more effectively.

You will be able to:

- Configure Auto Enrolment (including any postponement period)
- Hold detailed pension information in **Employee Details**
- Auto enrol employees during payroll run
- Manage opt-outs
- Manage opt-ins/joins
- Print detailed pension reports (from the **Reports** menu)
- Create pension files
 - to enrol workers
 - for a contribution schedule

How do I set up and work with Workplace Pensions on Earnie IQ?

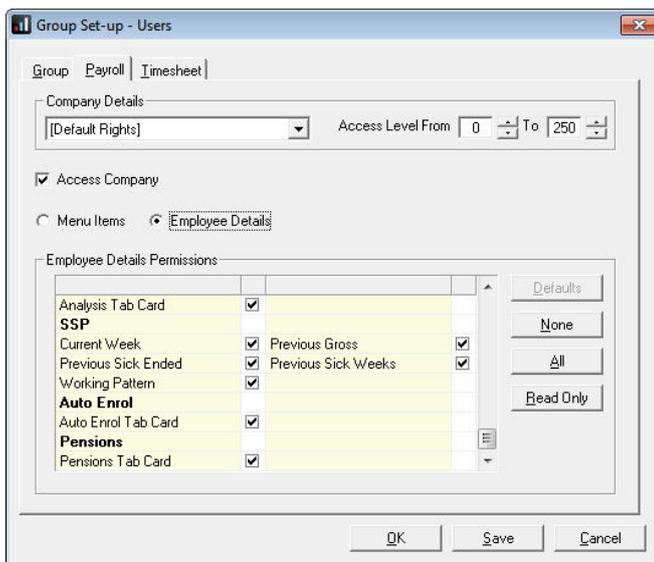


How do I enable the Pension menu items?

The first step is to enable the items in the **Pension** menu for your users. To do this:

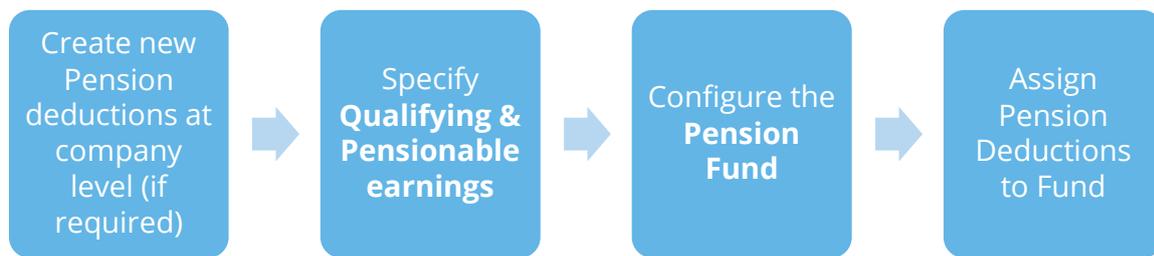
1. Enter your **Admin** name and password into the Earnie IQ login screen
2. Click on **Operators/Groups** and select **Alter Operators/Groups**
3. Click on the **Group** on the left that you want to add the **Pension** menu for then click the **Edit** button
4. Select the **Payroll** tab
5. Scroll down the list of **Menu Permissions** to the **Pension** menu options and tick the boxes for the items you wish to enable

The new tabs in **Employee Details** will also need to be enabled:



6. Select **Employee Details** (next to **Menu Items**)
7. Scroll down the grid until you reach the two new tabs at the bottom, **Auto Enrol** and **Pensions** and tick the boxes
8. If your Groups are set up to have different rights for different companies, select each company in the **Company Details** drop down and ensure the permissions for the **Pension** menu and **Employee Details** are correct

How do I configure Pensions?



How do I create new Pension Deductions at company level?

If you already run a pension scheme which matches or exceeds the minimum requirements for Auto Enrolment, you won't need to create any new pension deductions.

The regulations state that the pension deduction should be calculated as percentage of Qualifying Earnings between the Qualifying Earnings Lower Threshold and the Qualifying Earnings Upper Threshold.

If you do need to create new pension deductions, Earnie IQ has a deduction **Type - Percentage Auto Enrolment** which calculates the pension as required by the legislation.

If you select this pension type, you just need to enter the correct percentage amounts and Earnie IQ will calculate the deduction for you.

To add a new pension deduction:

1. From the **Company** menu, select **Alter Payments / Deductions**
2. Click on **Add New** and say **No** to using the Wizard
3. Configure your new pension deduction, selecting **Percentage Auto Enrolment** from the **Type** drop down list

For further help with creating Pension Deductions, go to the [IRIS website](#).

How do I specify Qualifying and Pensionable Earnings?

You need to specify which of your Payments comprise Qualifying Earnings and Pensionable Earnings.

It is VITAL to get this right as the Automatic Enrolment process relies on Qualifying Earnings in order to function correctly

What are Pensionable Earnings?

Pensionable Earnings are those included in your pension calculation, and are dependent on your pension scheme. Your Pension Provider will define these.

What are Qualifying Earnings?

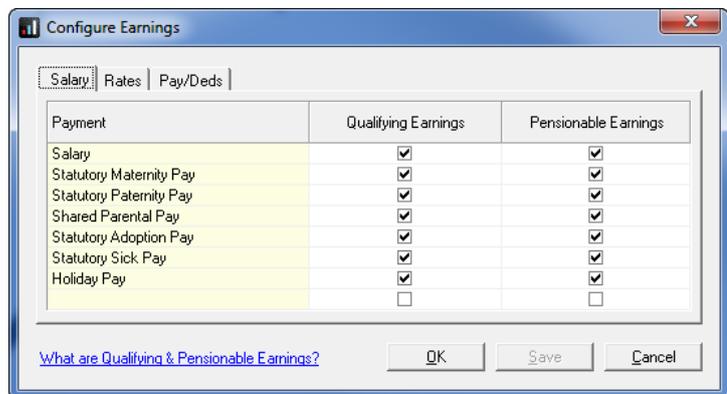
Qualifying Earnings are the earnings used to assess whether a worker earns enough to be automatically enrolled, providing all the other eligible jobholder criteria are met. These earnings are defined by The Pensions Regulator.

To ensure existing pay elements are included in **Qualifying Earnings** and/or **Pensionable Earnings**:

1. Click on the **Pension** menu and select **Configure Earnings**

The screen has three tabs, **Salary, Rates** and **Pay/Deds**.

2. The **Salary** tab already has all its elements ticked for **Qualifying Earnings**, however your Pension scheme may count different items as **Pensionable Earnings** so these can be ticked in the right hand column if required

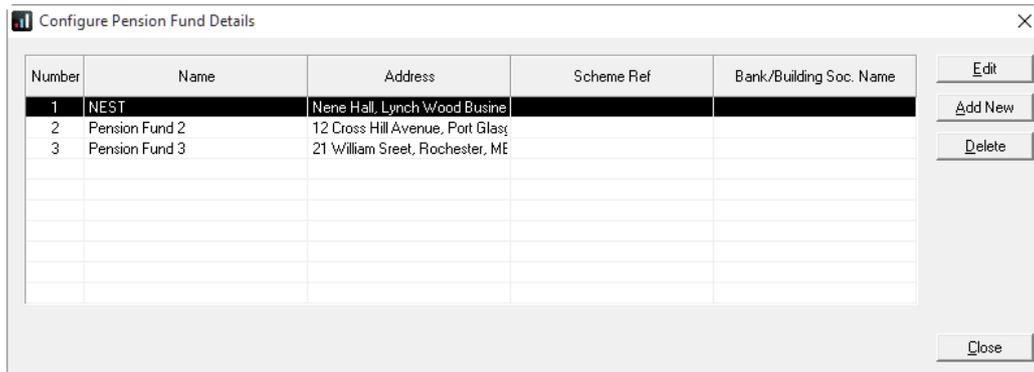


Payment	Qualifying Earnings	Pensionable Earnings
Salary	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Statutory Maternity Pay	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Statutory Paternity Pay	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Shared Parental Pay	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Statutory Adoption Pay	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Statutory Sick Pay	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Holiday Pay	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>

[What are Qualifying & Pensionable Earnings?](#)

3. The **Rates** tab displays all of the rates you currently have set up at company level. Tick those that are part of **Qualifying Earnings** and **Pensionable Earnings**
4. The **Pay/Deds** tab displays all of the payments you currently have set up at company level. Tick those that are part of **Qualifying Earnings** and **Pensionable Earnings**
5. Click **OK** when you are finished

How do I configure & assign Pension Deductions to a Pension Fund?



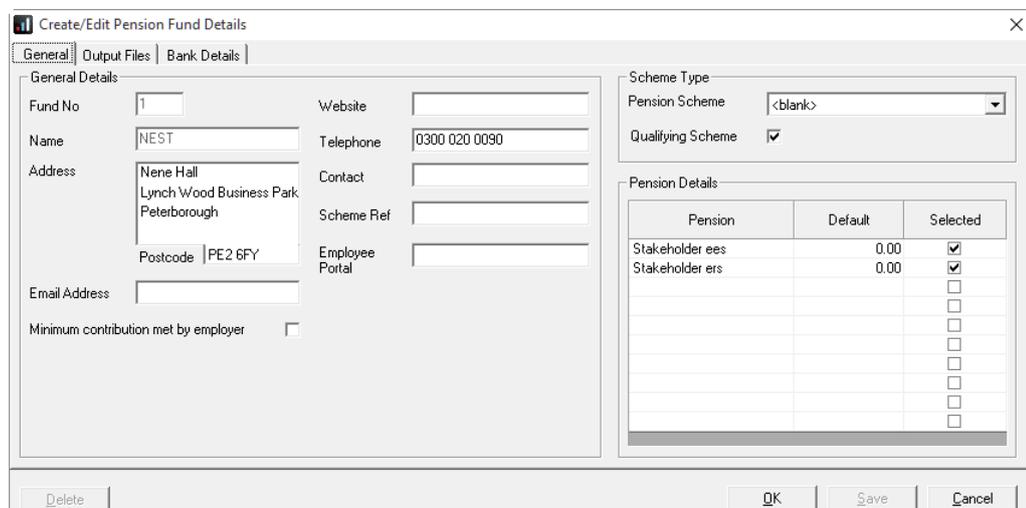
Number	Name	Address	Scheme Ref	Bank/Building Soc. Name
1	NEST	Nene Hall, Lynch Wood Busine		
2	Pension Fund 2	12 Cross Hill Avenue, Port Glas		
3	Pension Fund 3	21 William Sreet, Rochester, ME		

Pension deductions should be linked to a **Pension Fund**. A **Pension Fund** is used by default during auto enrolment, allowing you to set default values for all employees.

Number 1 in the Configure Pension Fund Details screen will always be NEST. Edit this entry if you will be using a NEST pension

To add a new **Pension Fund**:

1. From **Pension** menu select **Configure Pension Fund**. Click **Add New**



Create/Edit Pension Fund Details

General | Output Files | Bank Details

General Details

Fund No: 1 | Website: | Telephone: 0300 020 0090

Name: NEST | Address: Nene Hall, Lynch Wood Business Park, Peterborough | Contact: | Scheme Ref: | Employee Portal: | Postcode: PE2 6FY

Email Address: | Minimum contribution met by employer:

Scheme Type

Pension Scheme: <blank> | Qualifying Scheme:

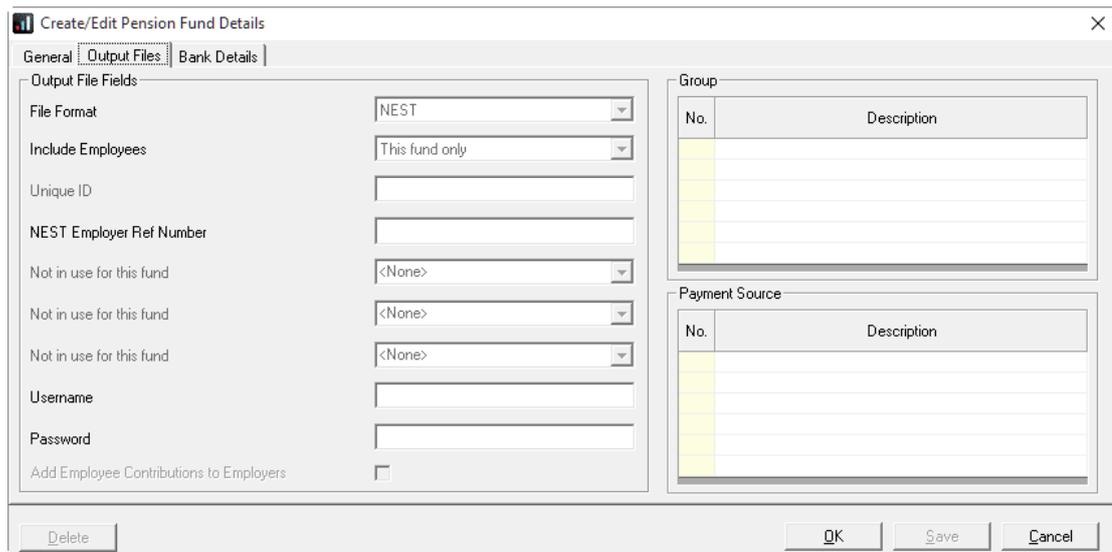
Pension Details

Pension	Default	Selected
Stakeholder ees	0.00	<input checked="" type="checkbox"/>
Stakeholder ers	0.00	<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

Buttons: Delete, OK, Save, Cancel

2. Enter the required **General** details on the first tab
3. In the **Scheme Type** section, from the drop down list, select whether the scheme is **Defined Contribution**, **Defined Benefits** or **Hybrid**. This is essential if you are using the IRIS OpenEnrol element of the IRIS AE Suite™
4. Tick the **Qualifying Scheme** box, a message will ask if you require every employee in this **Pension Fund** to be ticked as a **Member of a Qualifying Scheme**

5. If the employer is covering the whole of the minimum contribution rather than the employee, tick **Minimum contribution met by employer**
6. Pension deductions that have not been assigned to a fund are listed on the right under **Pension Details**. Tick the pension deductions that should be assigned to this **Pension Fund**
7. Click on the **Output Files** tab



8. Select the required **File Format** and choose from the **Include** dropdown who to include (this is determined by your Pension provider)
9. Other fields on this screen will differ according to the **File Format** you select, and the required details will be provided by the Pension provider
10. The **Add Employee contributions to Employers** option adds the employee contribution to the employer contribution in the output file, resulting in the employee contribution showing as zero. This is used for certain salary sacrifice pensions
11. Click on the **Bank Details** tab. Currently these are entered here are for your information only so you may leave them blank
12. Click **OK**

13. Repeat for any other pension funds you may have

If you have a NEST Pension Fund, the Qualifying Scheme will be ticked automatically and employees in the NEST Pension Fund will have Member of a Qualifying Scheme ticked.

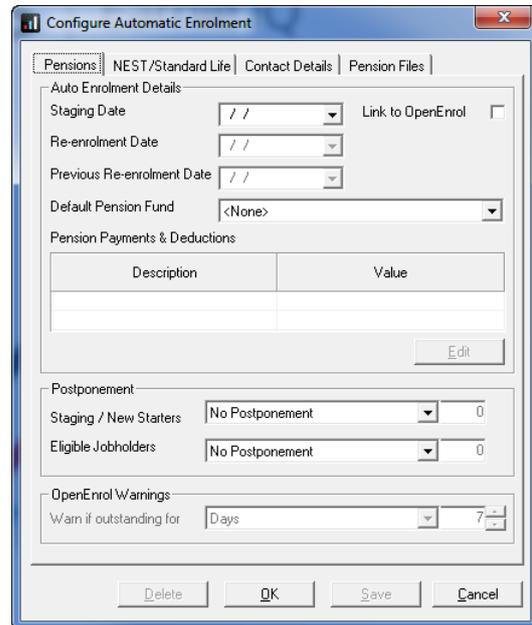
If this **Pension Fund** is used for auto-enrolment, the deduction amounts will be automatically applied to the Pay/Ded tab in **Employee Details** and deducted from employees pay when they are auto-enrolled during Payroll Run.

Only one **Pension Fund** can be used as a default for the automatic enrolment process

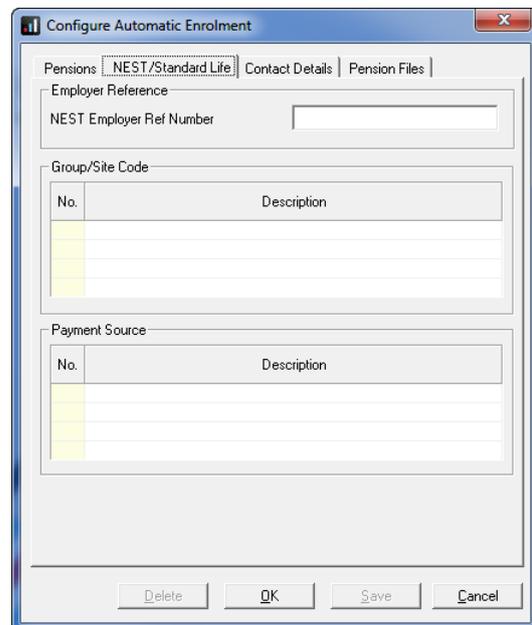
How do I configure auto enrolment?

The next stage in your preparation is to configure auto enrolment for each of your companies.

1. Click on the **Pension** menu and select **Configure Auto Enrolment**. The screen opens on the **Pensions** tab.
2. This is where you MUST enter your **Staging Date** (and **Postponement**, if required). The **Staging Date** must be entered to enable the auto enrolment process to begin (Click [here](#) for information on Re-enrolment)
3. Select your **Default Pension Fund**
4. When using the IRIS OpenEnrol element of the IRIS AE Suite™, on logging into a company, a warning message will be displayed if there are outstanding communications waiting to be published. The **OpenEnrol Warnings** section on this screen allows you to specify when this message is seen
5. If you are using a NEST or Standard Life pension, click on the **NEST/Standard Life** tab
6. Enter the **Employer Ref Number**, **Group** and **Payment Source** exactly as they are configured with NEST, or configure **Site Code** for Standard Life (It is also possible to do this within **Configure Pension Fund**)

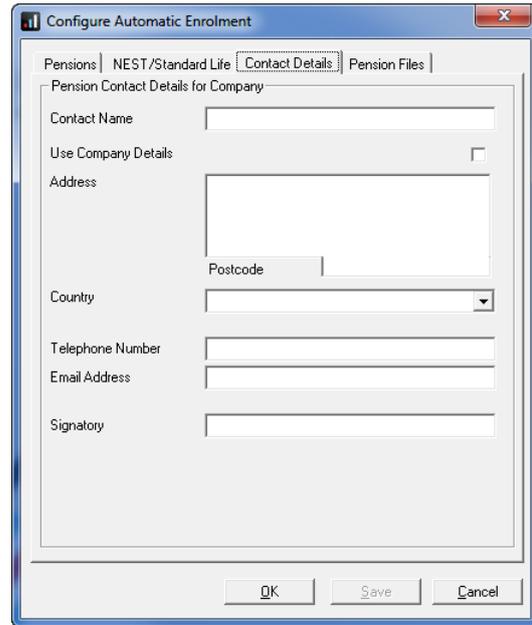


The screenshot shows the 'Configure Automatic Enrolment' dialog box with the 'Pensions' tab selected. The 'NEST/Standard Life' sub-tab is active. The 'Auto Enrolment Details' section includes fields for Staging Date, Re-enrolment Date, Previous Re-enrolment Date, and Default Pension Fund. The 'Pension Payments & Deductions' section contains a table with columns for Description and Value, and an Edit button. The 'Postponement' section has dropdowns for Staging / New Starters and Eligible Jobholders, both set to 'No Postponement' with a value of 0. The 'OpenEnrol Warnings' section has a dropdown for 'Warn if outstanding for' set to 'Days' and a value of 7.

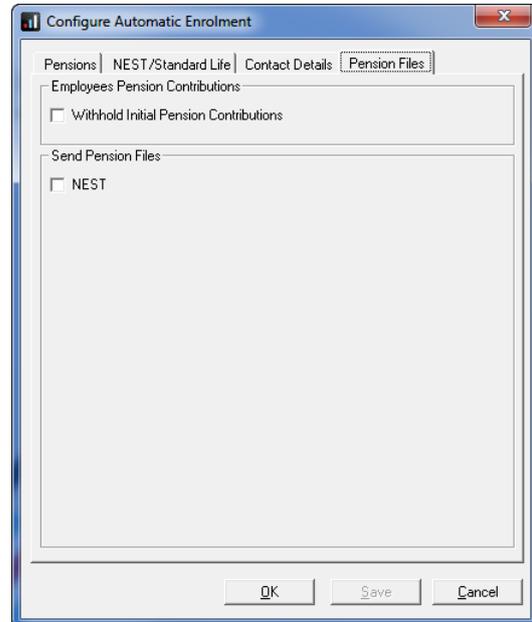


The screenshot shows the 'Configure Automatic Enrolment' dialog box with the 'NEST/Standard Life' sub-tab selected. The 'Employer Reference' section has a text field for 'NEST Employer Ref Number'. The 'Group/Site Code' section contains a table with columns for No. and Description. The 'Payment Source' section also contains a table with columns for No. and Description.

- If you are using the **IRIS OpenEnrol element** of the IRIS AE Suite™, you need to complete the **Contact Details** tab in order to successfully generate letters



- Click the **Pension Files** tab
- Tick the **Withhold Initial Pension Contributions** box if you are going to keep back any initial employee contributions from your Pension Provider, in the event employees choose to opt out after auto enrolment. Leave it blank if you do not intend to do this



- The **NEST** box here should be ticked if you want to send files to NEST directly from the payroll software. Read the separate **NEST Integration** guide for more details.

- If you are using the IRIS OpenEnrol element of the IRIS AE Suite™, when you click **OK** or **Save** you will be asked if you want to send a letter to all employees informing them that Automatic Enrolment is coming. This letter is purely informative, it is not a legal requirement. However, if you select **No** at this point you will NOT be able to reproduce that letter at a later time

What additional pension information do I need to add to Employee Details?

Before an employee is automatically enrolled there are some details which you may need to complete.

The majority of the fields on the **Employee Details | Auto Enrol** tab will be completed via the **Auto Enrolment** feature.

Selecting a Pension Fund here will automatically populate the associated Pension deductions on the **Employee Details | Pay/Ded** tab with any default percentage calculation

On the **Employee Details | Auto Enrol** tab:

1. Tick the **Works outside of UK** box if necessary
2. When using the IRIS OpenEnrol element of IRIS AE Suite™, the **Transitional Period** box must be ticked before running the employee's first payroll under automatic enrolment to trigger Letter 1T
3. An employer can choose to apply the **Transitional Period** for Defined Benefits and Hybrid Pension schemes to all their workers who meet the criteria to be an eligible jobholder on the employer's first auto enrolment date and provided certain other conditions are met. For more information click [here](#) to view The Pensions Regulator detailed guidance on Transitional period for DB and hybrid schemes
4. As only one **Pension Fund** can be used as default for **Auto Enrolment**, if you have several **Pension Funds**, you will need to apply these to **Employee Details** manually

How do I automatically enrol employees?

Earnie IQ runs the Auto Enrolment process for each employee individually when you use the **Do Payroll** process. It is at this point communications are generated for use with the IRIS OpenEnrol element of the IRIS AE Suite™.

The software will check if the payroll date is on or after the company **Staging Date**.

- If a **Postponement Period** is in operation, a **Deferral Date** is entered in **Employee Details | Auto Enrol**
- If the employee is identified as an eligible or non-eligible jobholder or an entitled worker the employee's **Worker Status** is set accordingly
- If there is no **Postponement Period** in place, and the employee's **Worker Status** is set to **Eligible Jobholder**, then the software assigns an **Automatic Enrolment Date**, marks the employee as a **Member of a Qualifying Scheme** and adds the pension fund and pension deductions (if configured) to **Employee Details | Auto Enrol**
- Employee and employer pension deductions are calculated and the payroll process continues as normal; once complete it will move on to the next employee
- The software will re-assess any employees that were not previously eligible, any employees whose **Worker Status** is not set to **Eligible Jobholder**, and any workers with a **Deferral Date** assigned where that **Deferral Date** is in the pay reference period being assessed. When earnings are above the Automatic Enrolment trigger the employee will be auto enrolled
- If an employee becomes eligible, the **Deferral Date** is removed, the **Automatic Enrolment Date** is set and the **Pension Fund** and pension deductions are assigned
- Once all employees have been processed, if any employees have been automatically enrolled, a message will be displayed asking if you want to print a report outlining the changes made. Click **Yes** to print or preview the report.
- When you redo/undo the payroll, employees will be re-assessed. Remember this may result in an employee being auto enrolled or Auto Enrolment dates being removed

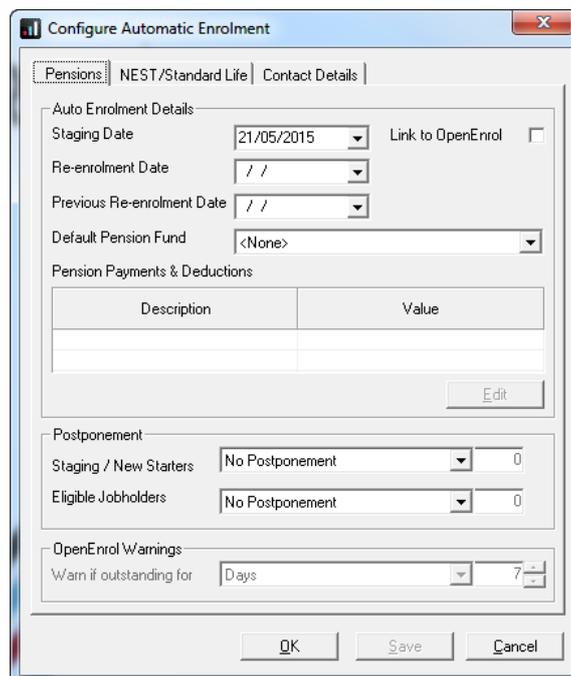
You can click **Preview** on the **Input/Edit Payroll Details** screen to see the effect of auto enrolment, but the process isn't finalised until you have clicked **Process** on that employee's pay screen and moved on to the next

What is Re-enrolment?

The process of automatically putting workers back into pensions is known as 'automatic re-enrolment'. Re-enrolment occurs approximately three years after staging and then every three years after that. At the **Re-enrolment Date** AE Assessment occurs for all the employees that previously opted out or ceased contributions more than a year before the **Re-enrolment Date**.

To cater for **Re-enrolment**, two new fields have been added to the **Configure Automatic Enrolment** screen below **Staging Date**:

Re-enrolment Date and **Previous Re-enrolment Date**.



If the re-enrolment employee is an eligible jobholder they will be automatically enrolled into the default pension scheme or the one specified in **Employee Details | Auto Enrol**. The only difference is that the re-enrolment employee cannot be postponed.

For Re-enrolment a new letter type L1R will be published to IRIS OpenEnrol.

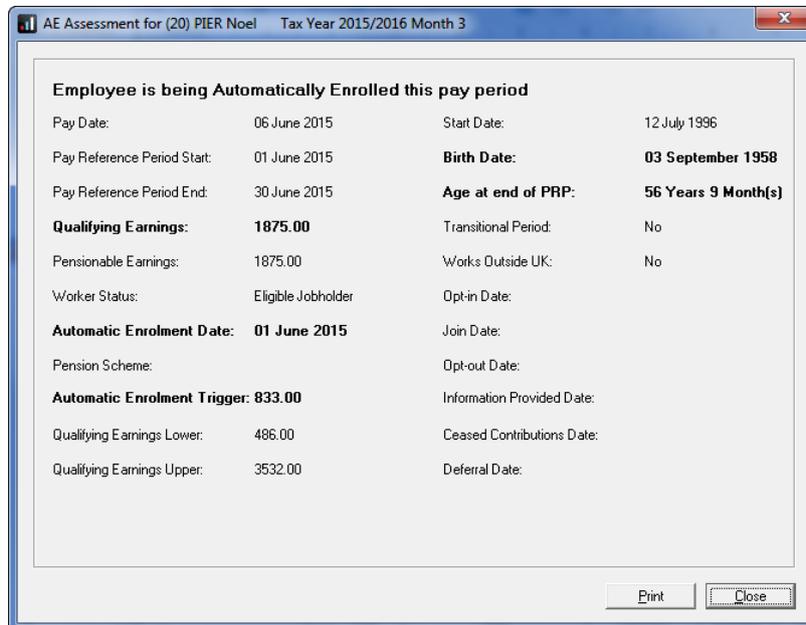
Managing Auto Enrolment on a day to day basis

The payroll life cycle with Auto Enrolment



AE Assessment Details

During the payroll run, click on the **Preview** button and then the **AE Detail** button. This screen displays the employee's AE Assessment status together with the information that the assessment is based on.



Employee is being Automatically Enrolled this pay period

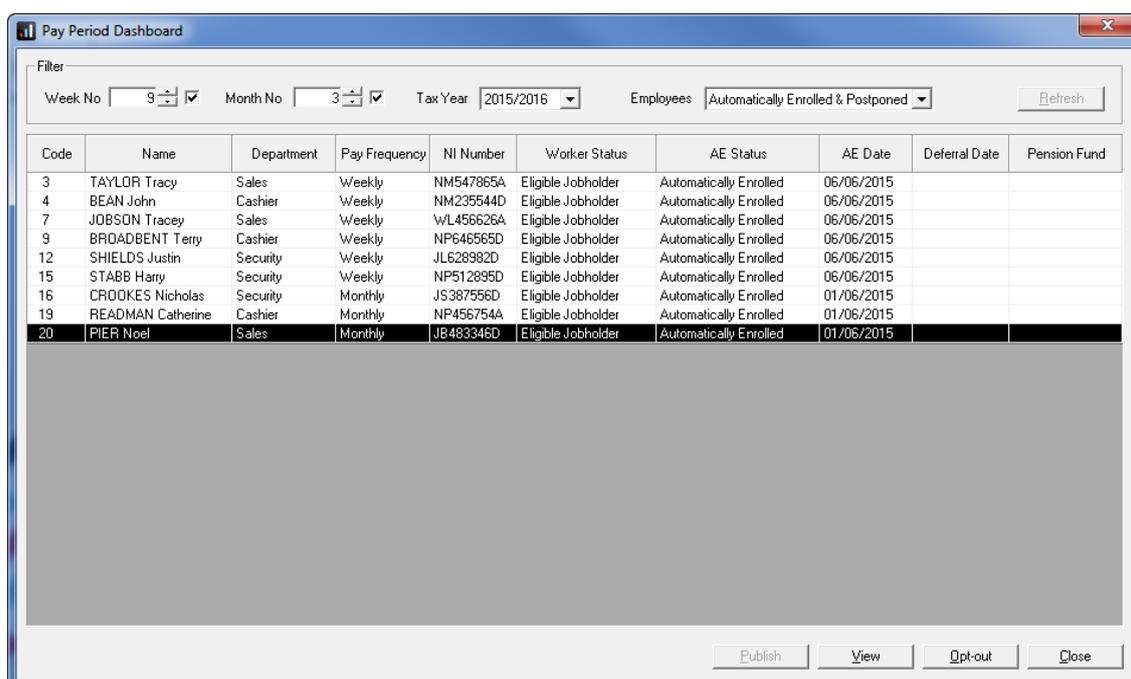
Pay Date:	06 June 2015	Start Date:	12 July 1996
Pay Reference Period Start:	01 June 2015	Birth Date:	03 September 1958
Pay Reference Period End:	30 June 2015	Age at end of PRP:	56 Years 9 Month(s)
Qualifying Earnings:	1875.00	Transitional Period:	No
Pensionable Earnings:	1875.00	Works Outside UK:	No
Worker Status:	Eligible Jobholder	Opt-in Date:	
Automatic Enrolment Date:	01 June 2015	Join Date:	
Pension Scheme:		Opt-out Date:	
Automatic Enrolment Trigger:	833.00	Information Provided Date:	
Qualifying Earnings Lower:	486.00	Ceased Contributions Date:	
Qualifying Earnings Upper:	3532.00	Deferral Date:	

Print Close

The bold text highlights the factors that have triggered the assessment outcome.

Period Pension Dashboard

To access the **Period Pension Dashboard**, from the **Pension** menu, select **Period Pension Dashboard**.



Filter: Week No [9] Month No [3] Tax Year [2015/2016] Employees [Automatically Enrolled & Postponed] Refresh

Code	Name	Department	Pay Frequency	NI Number	Worker Status	AE Status	AE Date	Deferral Date	Pension Fund
3	TAYLOR Tracy	Sales	Weekly	NM547865A	Eligible Jobholder	Automatically Enrolled	06/06/2015		
4	BEAN John	Cashier	Weekly	NM235544D	Eligible Jobholder	Automatically Enrolled	06/06/2015		
7	JOBSON Tracey	Sales	Weekly	WL456626A	Eligible Jobholder	Automatically Enrolled	06/06/2015		
9	BROADBENT Terry	Cashier	Weekly	NP646565D	Eligible Jobholder	Automatically Enrolled	06/06/2015		
12	SHIELDS Justin	Security	Weekly	JL628982D	Eligible Jobholder	Automatically Enrolled	06/06/2015		
15	STABB Harry	Security	Weekly	NP512895D	Eligible Jobholder	Automatically Enrolled	06/06/2015		
16	CROOKES Nicholas	Security	Monthly	JS387556D	Eligible Jobholder	Automatically Enrolled	01/06/2015		
19	READMAN Catherine	Cashier	Monthly	NP456754A	Eligible Jobholder	Automatically Enrolled	01/06/2015		
20	PIER Noel	Sales	Monthly	JB483346D	Eligible Jobholder	Automatically Enrolled	01/06/2015		

Publish View Opt-out Close

This dashboard displays the pension status of any employees assessed in a particular pay period.

- Double-click or highlight an employee and click on **View** to open their **AE Assessment screen for...** that period
- Click **Publish** if you have communications waiting to be published to IRIS OpenEnrol
- Highlight an employee and click on **Opt-out** to open a new screen enabling you to quickly opt an employee out of the Pension scheme
- Changes made here will automatically be made within **Employee Details** for you
- You are able to access historic periods and tax years where the history is available

Employee AE History

This screen displays historic periods and tax years for the selected individual where the history is available. You can view the **Worker Status, AE Assessment, AE Date, Deferral Date** and whether the employee is **In Pension** for the relevant pay period.

- From the **Pension** menu select **Employee AE History**
- Select an Employee from the list
- To view the **AE Assessment for...** screen for a specific Pay Period, highlight the relevant pay period and click **View**

Create Pension output file

For guidance on how to create your pension output file, click [here](#). From this location select the pension provider you want to create your pension output for.

Output files are available as standard in the software for the following pension providers:

- Aviva
- Friends Life
- NEST
- Now Pensions
- Peoples Pension
- Scottish Widows
- Standard Life G2G

Select/Print Pension reports

Earnie IQ has several pension reports to assist you in administering your pensions. You will need to select these from the library to be able to print them from the **Reports** menu.

Report	Library Section
Automatic Enrolment Summary by Period	Summaries
Pension Summary by Employee	Summaries
Pension Summary by Fund	Summaries
Pension Summary for Period	Summaries
Pension Key Ages	Employee Reports
Pension Status	Employee Reports
Pension Fund Employees	Employee Reports
Pension Fund Remittance	Multi Period Reports
Pension Fund Details	Company Reports
Pension Opt-out Date	Employee Reports
Declaration of Compliance	Company Reports

Automatic Enrolment Summary by Period

If you use the **Company Costs Summary** and you would like the automatic enrolment pensions to appear in the **Employer Pension Costs** figure, you will need to add the pension deductions to one of the 'Ers' pension report groups.

This will show any employees auto enrolled in the selected period as well as any not auto enrolled together with the reason why.

Pension Summary by Employee

This report prints details of the pension contributions for individual employees within a selected pay period. It will not show employees where employee and employer contributions are zero.

It will group employees by the **Pension Fund** selected in **Employee Details**.

Pension Summary by Fund

This report prints the pension contributions by all or selected **Pension Funds**. Only employees with pension contributions associated with the selected fund will be included. It will not show employees where employee and employer contributions are zero.

Pension Summary for Period

A summary style report showing **Employee, NI Number, Pensionable Pay, Assumed Pensionable Pay** and **Qualifying Earnings** for the pay period selected.

Pension Key Ages

This report will print current employees that will reach a key age for Workplace Pensions in the selected pay period, that is any employee turning 16, 22, State Pension Age and 75.

It can be printed per **Pension Fund** or for all **Pension Funds**.

Pension Status

This report contains the automatic enrolment information for each employee.

It can be printed per **Pension Fund** or for all **Pension Funds**.

Pension Fund Employees

This report prints the total number of employees that have an **Automatic Enrolment Date, Opt-out Date** or an **Opt-in Date** within a specified date range.

It can be printed per **Pension Fund** or for all **Pension Funds**.

Pension Fund Remittance

This report allows you to select a **Pension Fund**, a **From** and **To** date to print it for and also allows you to exclude employees. You may wish to exclude employees that have been auto enrolled but may wish to opt out; you are allowed to withhold their contributions from the Pension provider for up to 3 months after **Auto Enrolment** if the provider permits.

The report includes employees that have an employee or employer pension contribution value which is associated with the selected Pension fund and the contributions were deducted within the date range selected. It will also include employees that have had any pension payments withheld in previous months that now need to be included.

Pension Fund Details

This report will print the details of all **Pension Funds** that have been created within the company.

Pension Opt-out Date

This report will print details of all employees with an **Opt-out Date** within a specified date range.

Declaration of Compliance Report

As part of Automatic Enrolment, each company must complete a Declaration of Compliance with The Pensions Regulator. In order to assist with this, we have added the **Declaration of Compliance** report. This report will provide you with as much information as the system holds in order to help you complete your declaration.

To install the report, from the **Reports** menu select **Library Selection** then **Company Reports**. Double-click on **Declaration of Compliance**, click **OK**, and then **Close**.

Once installed, print the report from **Reports | Print Company Reports**.

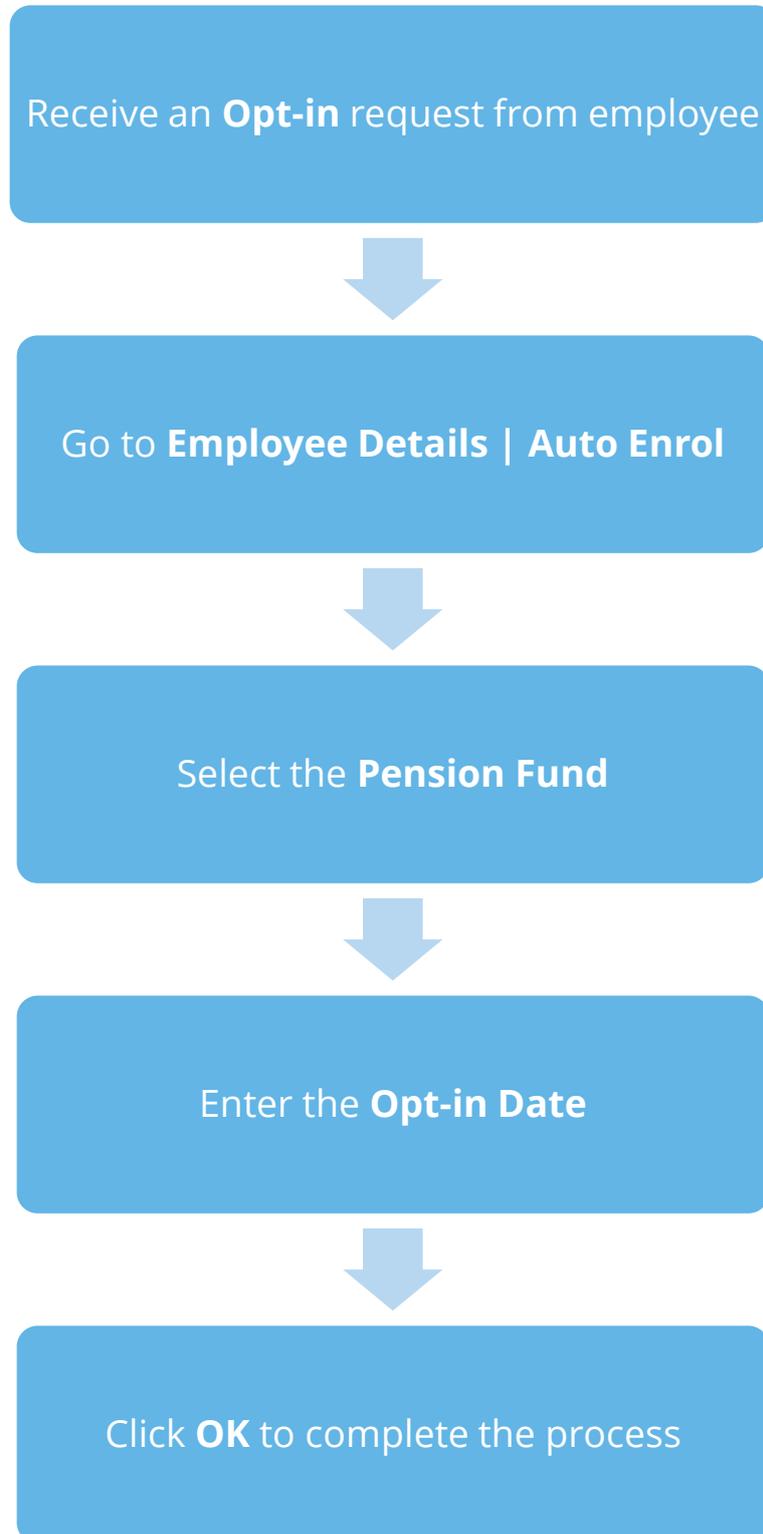
Please Note:

- The payroll software does not hold ALL the information you will need for the Declaration of Compliance
- The report is only for a single PAYE Reference, therefore if there is more than one PAYE reference for the company you will need to merge the data from each report

How do I opt an employee in?

An Opt-in request can be received from a non-eligible jobholder, or an eligible jobholder within a postponement period. **Note:** Entitled Workers cannot opt-in, they need to **Join**.

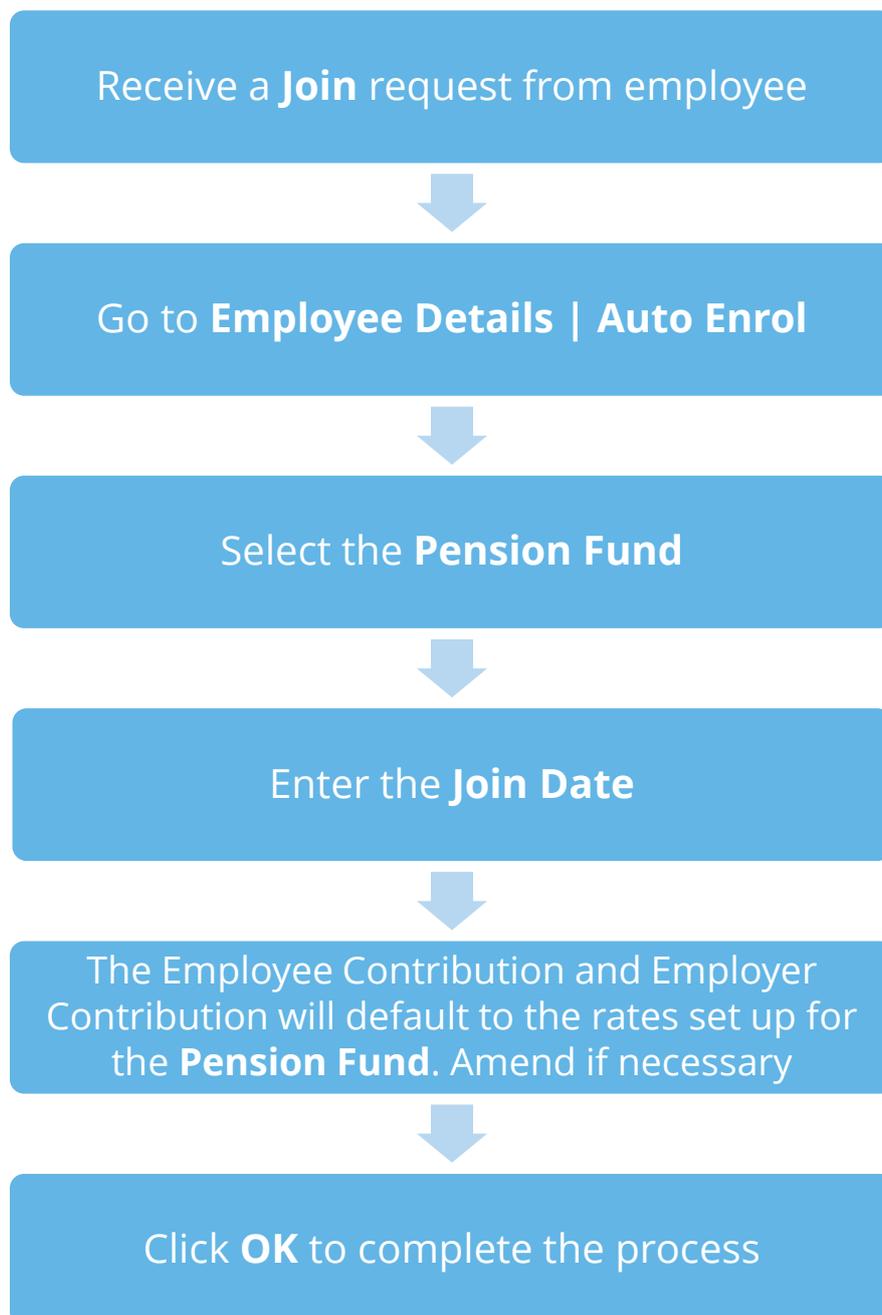
To enter an **Opt-in Date**:



Employee requests to Join your Pension Scheme

An employee can request to join your Pension scheme if they meet the following criteria:

- The employee's worker status was **Entitled Worker** when last assessed for Auto Enrolment
- The following fields in **Employee details | Auto Enrol** are un-ticked:
 - **Member of a Qualifying Scheme**
 - **Transitional Period**
 - **Works outside the UK**



How do I opt an employee out?

Receive valid Opt-out Notice from employee



Go to **Pension | Period Pension Dashboard**



Select the employee then click the **Opt-out** button



Enter the **Opt-out Date** and click **Calculate Refund**



Employee and Employer contribution refunds are calculated. To view a breakdown of the refund calculation click **Pay Details**



The refund must be processed manually in the next payroll run

POINTS TO REMEMBER

- An Opt-out Date field can also be found in **Employee Details | Auto Enrol**.
- An employee with a **Join Date** is not entitled to opt out of a Pension Scheme. If the employee wishes to stop contributions, a **Contributions Ceased** date should be entered in **Employee Details | Auto Enrol**.

When a jobholder gives an opt-out notice, you must check that it is a valid notice. It must contain certain statutory information which can be found [here](#)

How do I refund contributions if an employee has opted-out?

This depends on:

- Your pension configuration
- Whether the employee's earnings for the pension deduction were the same each period
- If you have just moved into the new tax year

Employee's Contribution Refund

Example – percentage

Where the employee's earnings for the pension deduction are the same each pay period and the refund is due in the same tax year as the enrolment date (the pension deduction is a percentage of the employee's salary)

1. From the **Company** menu, select **Alter Payments/Deductions** then click **Add New**
2. Click **No** to using the wizard
3. Create a deduction with the same set-up as the original pension deduction
4. Click **OK** then **OK** again
5. During the payroll run, in the **Payroll Run** screen for that employee, select the new deduction and enter a NEGATIVE percentage in the **Amount** column
6. The pension deduction refund value must **NOT** exceed the pension deduction year to-date value

Example - value

Where the employee's earnings for the pension deduction differ each pay period and the refund is due in the same tax year as the enrolment date (the pension deduction is a percentage of total hours paid to the employee)

1. From the **Company** menu, select **Alter Payments/Deductions** then click **Add New**
2. Click **No** to using the wizard
3. Create a deduction with the same set-up as the original pension deduction
4. Make sure the **Type** is **Value**
5. Click **OK** then **OK** again
7. During the payroll run, in the **Payroll Run** screen for that employee, select the new deduction and enter a NEGATIVE value in the **Amount** column
8. The pension deduction refund value must **NOT** exceed the pension deduction year to-date value

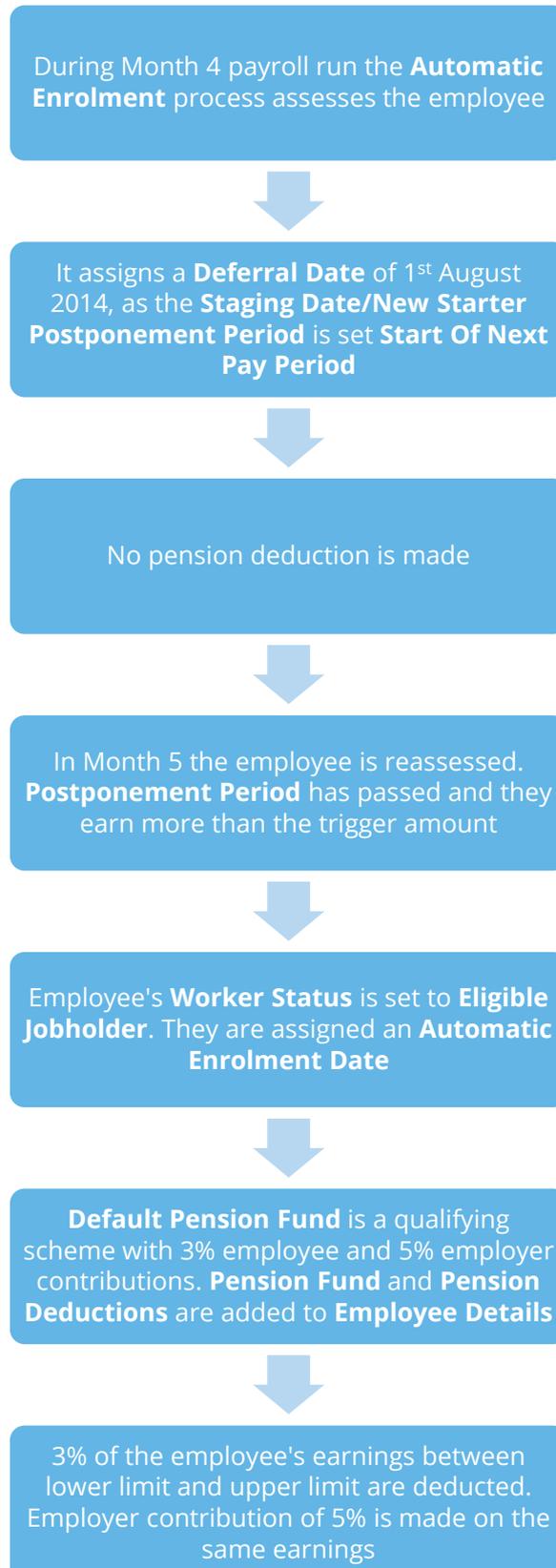
The pension deduction used to refund must not be assigned to a **Pension Fund** as it should not be included in the Pension Output File

Employer's Contribution Refund

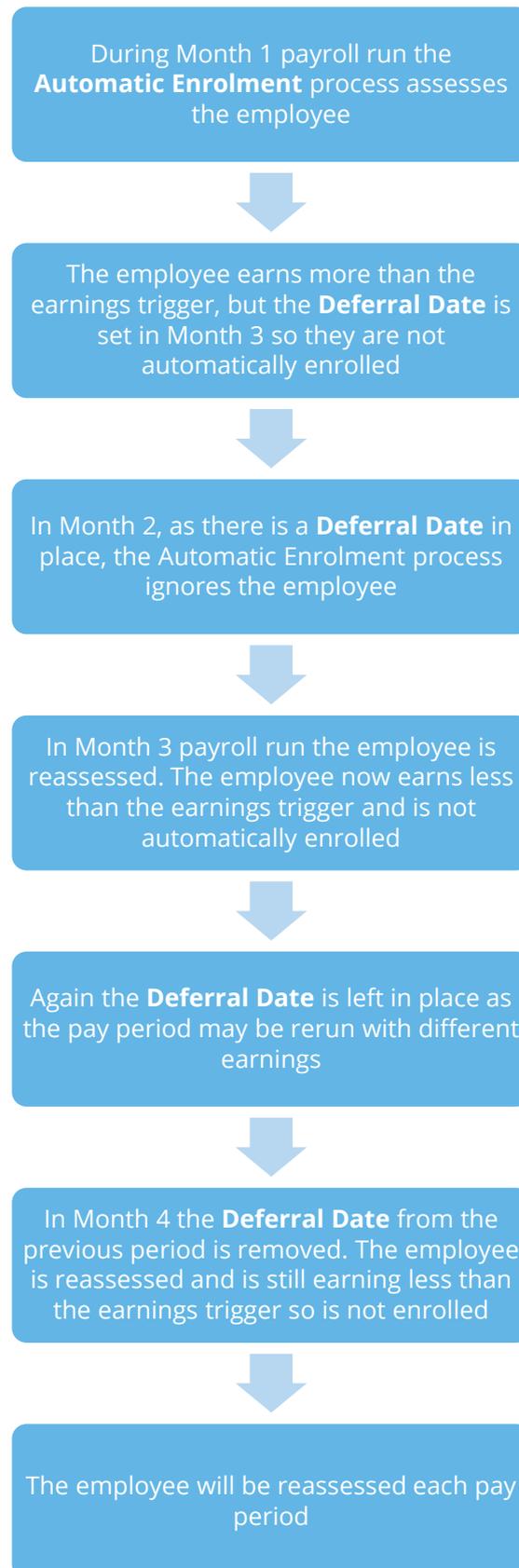
1. From the **Company** menu, select **Alter Payments/Deductions** then click **Add New**
2. Click **No** to using the wizard
3. Create a deduction with the same set-up as the original pension deduction (Display Item Only)
4. Make sure the **Type** is **Value**
5. Click **OK** then **OK** again
6. During the payroll run, in the **Payroll Run** screen for that employee, select the new deduction and enter a NEGATIVE value in the **Amount** column
7. The pension deduction refund value must **NOT** exceed the Employer's pension deduction year to-date value

Examples of Automatic Enrolment in Practice

Example 1: Employee aged 35 joins the company on 7 July 2014 and earns £20000 per annum.



Example 2: Employee with variable earnings, receiving more than the earnings trigger in month 1.
Deferral Date is set to a date in Month 3



What is IRIS OpenEnrol?

IRIS OpenEnrol is an element of the IRIS AE Suite™; a new way to distribute workplace pension communications to employees. Letters that need to be sent to employees, in order to comply with legislation, will be created automatically when you run the payroll. They will then be published to a secure online portal. The letters are emailed directly to each employee, and once they have registered with the portal they will be able to quickly view all of their past automatic enrolment letters in an easy to access, secure area.

What will IRIS OpenEnrol do for me?

- Employees receive pension communications directly via email
- Letters can be accessed anywhere an internet connection is available
- Quick and easy to setup with no software to install
- Increases Automatic Enrolment administration efficiency
- Reduces carbon footprint demonstrating an environmentally friendly solution
- Reduces communication distribution costs including printing, postage and processing
- Fully secure
- Allows employees immediate 24/7 access to their own pension communication information
- Free IOS, Android and Windows phone apps available for employees to securely view their own pension communications on tablets or smartphones
- An Employer can log into the IRIS OpenEnrol portal and print any communications if an employee does not have an email address
- All published communications are date stamped for audit purposes and a copy stored against the employee record

How does IRIS OpenEnrol work?

Certain Automatic Enrolment triggers during the payroll run will cause a communication to be created, which you then need to publish to the IRIS OpenEnrol secure website. IRIS OpenEnrol takes that data and creates letters in the form of Adobe PDF files to be sent to your employees.

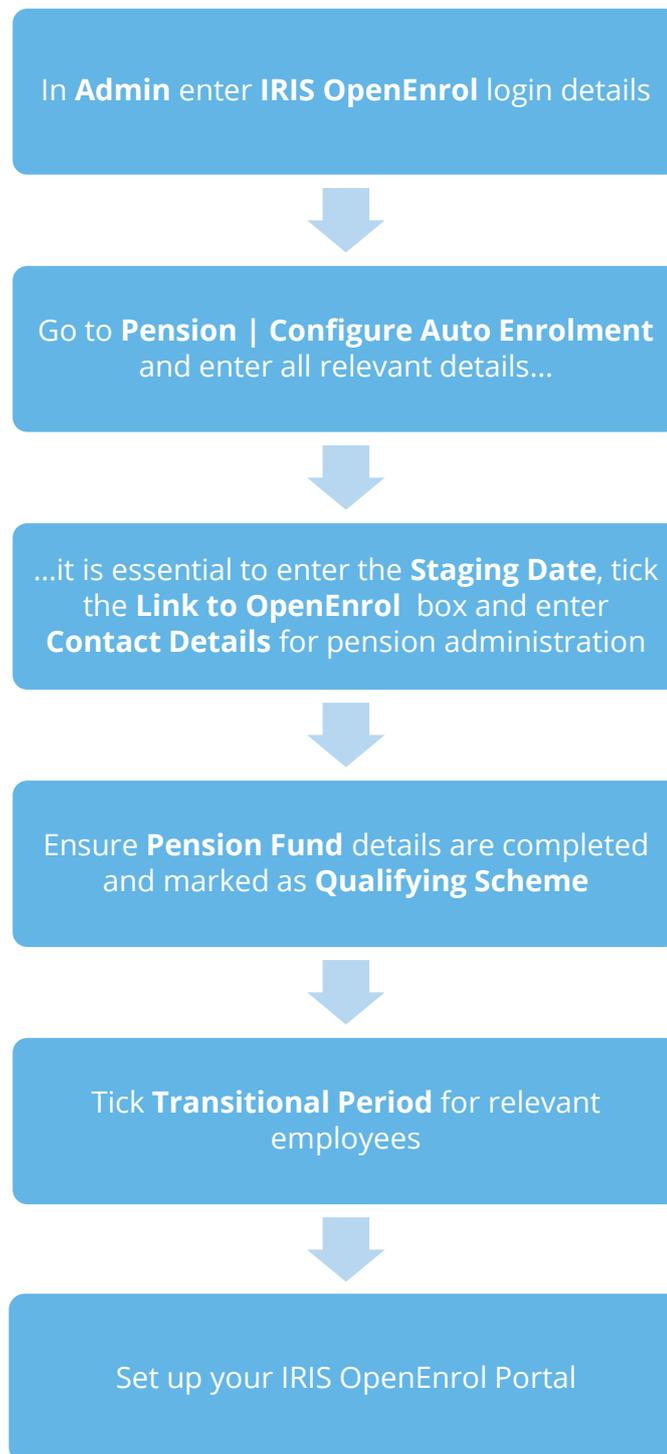
- If the employee has an IRIS OpenEnrol account the Adobe PDF will be emailed to the employee and stored online
- If the employee does not have an account but has an email address the letter will be emailed and the employee prompted to configure their account
- If the employee does not have an email address you can log onto IRIS OpenEnrol to print the required letter

When you **Publish** for a company for the first time, the company and employee details are created for you in IRIS OpenEnrol

How to set up IRIS OpenEnrol in the payroll software

If you are using IRIS OpenEnrol it is vital for certain elements of your Pension configuration to be set up fully. The letters require certain information to be present in order to be produced correctly.

Essential steps to setting up IRIS OpenEnrol



In order to use IRIS OpenEnrol, follow these steps:

1. Log into **Admin**
2. Click on the **File** menu
3. Select **Global Settings** then **Online Login Details**
4. Enter the **Username** and **Password** that you used to register on the IRIS OpenEnrol website
5. Click **OK**. These will be the default settings for each company on your payroll.
6. Log back into the payroll software. If you need to you can set different login details for each company on **Company | Alter Company Details | IRIS Credentials**
7. Click on the **Pension** menu and select **Configure Auto Enrolment**
8. Tick the **Link to OpenEnrol** box

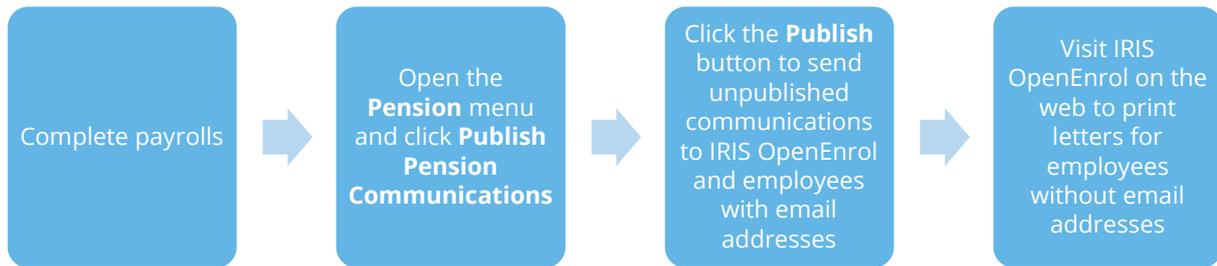
If you are creating an existing company for the first time in the payroll software (i.e. auto enrolment has already occurred on another system), you must tick the **Link to OpenEnrol** box as the **LAST** step **AFTER** setting up the company and all your employees, including entering the **Staging Date** and all other Auto Enrolment and Pension information

9. Enter the **Staging Date** and you will be asked if you wish to send an 'automatic enrolment is coming' letter to all employees. If you select **No**, you will not be able to create this letter again
10. Click on the **Contact Details** tab and enter your company's contact details for pension administration
11. Click **OK**
12. From the **Pension** menu select **Configure Pension Fund** and either **Add** or **Edit** your Pension Fund, making sure all relevant details are entered
13. Tick the **Qualifying Scheme** box, a message will ask if you require every employee in this **Pension Fund** to be ticked as a **Member of a Qualifying Scheme**
14. If you have any employees in Defined Benefits or Hybrid Schemes and you are applying a Transitional Period, make sure the **Transitional Period** box is ticked in **Employee Details | Pay Elements | Pensions** tab

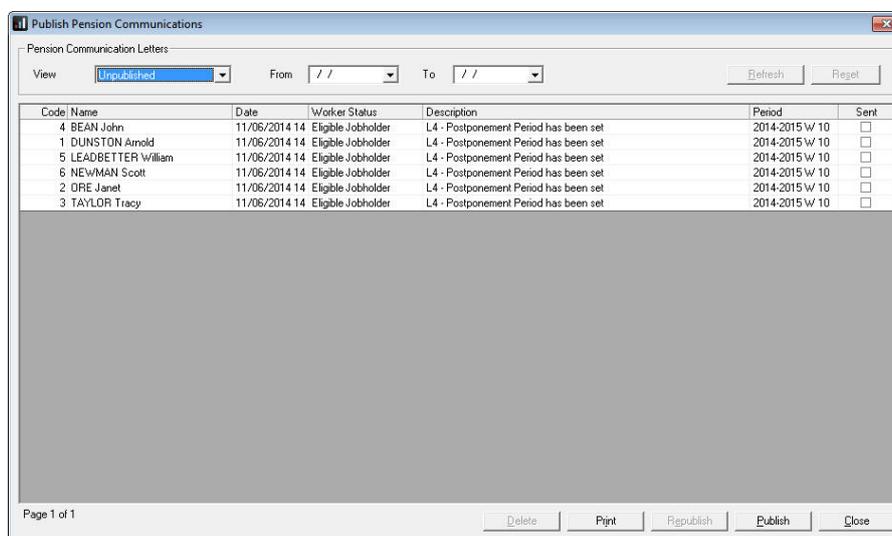
How do I set up IRIS OpenEnrol online?

To see how to set up the IRIS OpenEnrol portal, click [here](#) to view the guide.

How are the auto enrolment letters created?



After you have completed your payroll, click on the **Pension** menu and select **Publish Pension Communications** to open the publishing window:



Code	Name	Date	Worker Status	Description	Period	Sent
4	BEAN John	11/06/2014 14	Eligible Jobholder	L4 - Postponement Period has been set	2014-2015 w/ 10	<input type="checkbox"/>
1	DUNSTON Arnold	11/06/2014 14	Eligible Jobholder	L4 - Postponement Period has been set	2014-2015 w/ 10	<input type="checkbox"/>
5	LEADBETTER William	11/06/2014 14	Eligible Jobholder	L4 - Postponement Period has been set	2014-2015 w/ 10	<input type="checkbox"/>
6	NEWMAN Scott	11/06/2014 14	Eligible Jobholder	L4 - Postponement Period has been set	2014-2015 w/ 10	<input type="checkbox"/>
2	ORE Janet	11/06/2014 14	Eligible Jobholder	L4 - Postponement Period has been set	2014-2015 w/ 10	<input type="checkbox"/>
3	TAYLOR Tracy	11/06/2014 14	Eligible Jobholder	L4 - Postponement Period has been set	2014-2015 w/ 10	<input type="checkbox"/>

This screen displays the pension communications that are to be sent or have already been sent to IRIS OpenEnrol, depending on the options selected in the **View** box at the top of the screen.

By default the screen shows all the currently available unpublished data. You can also view previously published data if you need to. The data is sorted alphabetically, by surname and forename.

You can reorder the grid by clicking on a column heading. Clicking again will toggle the order ascending to descending etc.

If there is no unpublished data the screen will display the first page of the most recent published data in alphabetical surname, forename order.

- **Code** – the employee code
- **Name** – the surname then forename
- **Date** – the date the communication was created
- **Worker Status** – employee's **Worker Status** at the time of generating the communication
- **Description** – describes the type of letter to be sent
- **Period** – the year, frequency and pay period e.g. tax year 2014/2015 Week 23 would appear as 2014-2015 W 23
- **Sent** – tick box showing whether a communication has been published to IRIS OpenEnrol
- **From Date** and **To Date** - these can both be blank or either can be blank or both can be populated:
 - If both dates are blank, all data matching the criteria in the **View** box will be displayed
 - If the **From Date** is blank all data up to the **To Date** will be displayed
 - If the **To Date** is blank all data from the **From Date** will be displayed
 - If the **From Date** and **To Date** are both populated only data in that date range will be populated
 - The **From Date** and **To Date** can be the same day

Reset

Click this button to reset the screen to its initial state. Both dates will become blank. The **View** field will be reset to Unpublished or Published depending on what was set when the screen was first opened. The grid display will be refreshed and the **Refresh** button will be disabled.

Refresh

The **Refresh** button is disabled until you change the **View** selection or enter a date range. The text, **Click Refresh to update view**, will appear when the **Refresh** button is enabled. After clicking **Refresh** the button will be disabled and the text, **Click Refresh to update view**, will not be visible.

You need to click the **Refresh** button if you make changes to the **View** selection or the **From** and **To** dates

Print

Click **Print** for a printed listing of pension communications. You can choose to print **All**, **Unpublished** or **Published**, a **Date Range** and selected employees using the **Selection** button.

This prints a summary of the communications, not the actual letters

Delete

Each single row in the grid can be highlighted. Multiple rows can be highlighted using standard windows functions e.g. CTRL & click or SHIFT & click. Highlight the rows you want to delete then click the **Delete** button.

Publish

When you are ready to send the unpublished pension communications you need to click the **Publish** button. **Publish** will always send all unpublished data for the current company. This will send the communications to the IRIS OpenEnrol portal and directly to employees with email addresses in their **Employee Details**.

Republish

This option allows you to republish data that has already been published previously, for a date range you select.

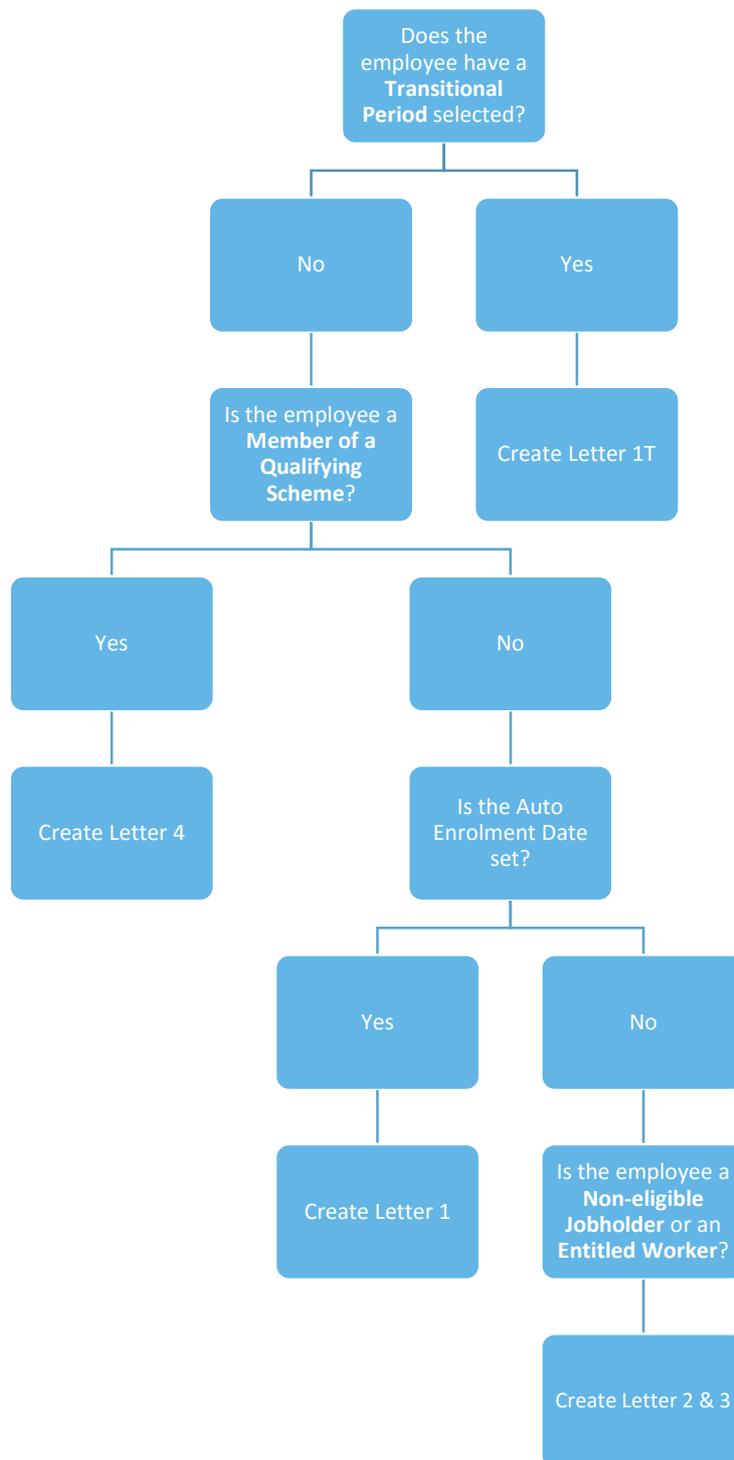
Do/Redo Payroll will re-assess any actions relating to Automatic Enrolment or IRIS OpenEnrol. If a payroll is rerun, employees will be reassessed. If payroll is rerun and communications have not been sent, they can be amended or deleted before the pay period is complete.

What letters are sent and when?

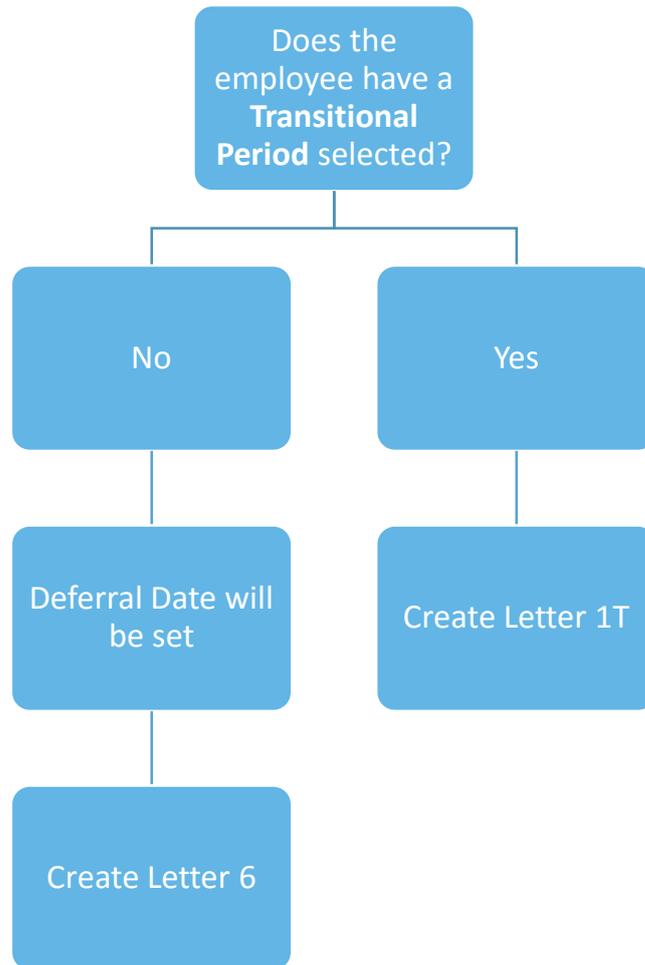
L0	<p>IRIS 'Staging Letter' – This letter is optional and lets employees know Auto Enrolment is coming and is sent once to all employees, except employees who are:</p> <ul style="list-style-type: none"> ▪ 75 and over ▪ Worker Status 'Exclude from auto enrolment' ▪ Works outside of UK box ticked ▪ Leavers
L1	Issued when Auto Enrolment Date is assigned
L1R	Issued when Re-enrolment Date is assigned
L1T	Issued at Staging to employees with the Transitional Indicator set
L1P	Issued after Staging Date, each time a Deferral Date is assigned and the employee is an eligible jobholder
L1Opt	Issued when an Opt-In Date is entered for an employee, regardless of their Worker Status
L2 & L3	Sent to non-eligible jobholder or to entitled worker when assessed and a Postponement Period is not used. This letter is only sent once
L4	Sent to employees where they are a Member of a Qualifying Scheme at staging when no Postponement Period is used
L6	Issued to all employees at staging if Postponement Period is in use (apart from employees receiving Letter 1T). Also sent to new starters after staging if Postponement Period is in use and their Worker Status is Non-Eligible Jobholder or Entitled Worker
Excluded Employees	<p>The following employees will not receive Auto Enrolment Communications:-</p> <ul style="list-style-type: none"> ▪ 75 and over ▪ Worker Status 'Exclude from auto enrolment' ▪ Works outside of UK box ticked

Examples of when Letters are created

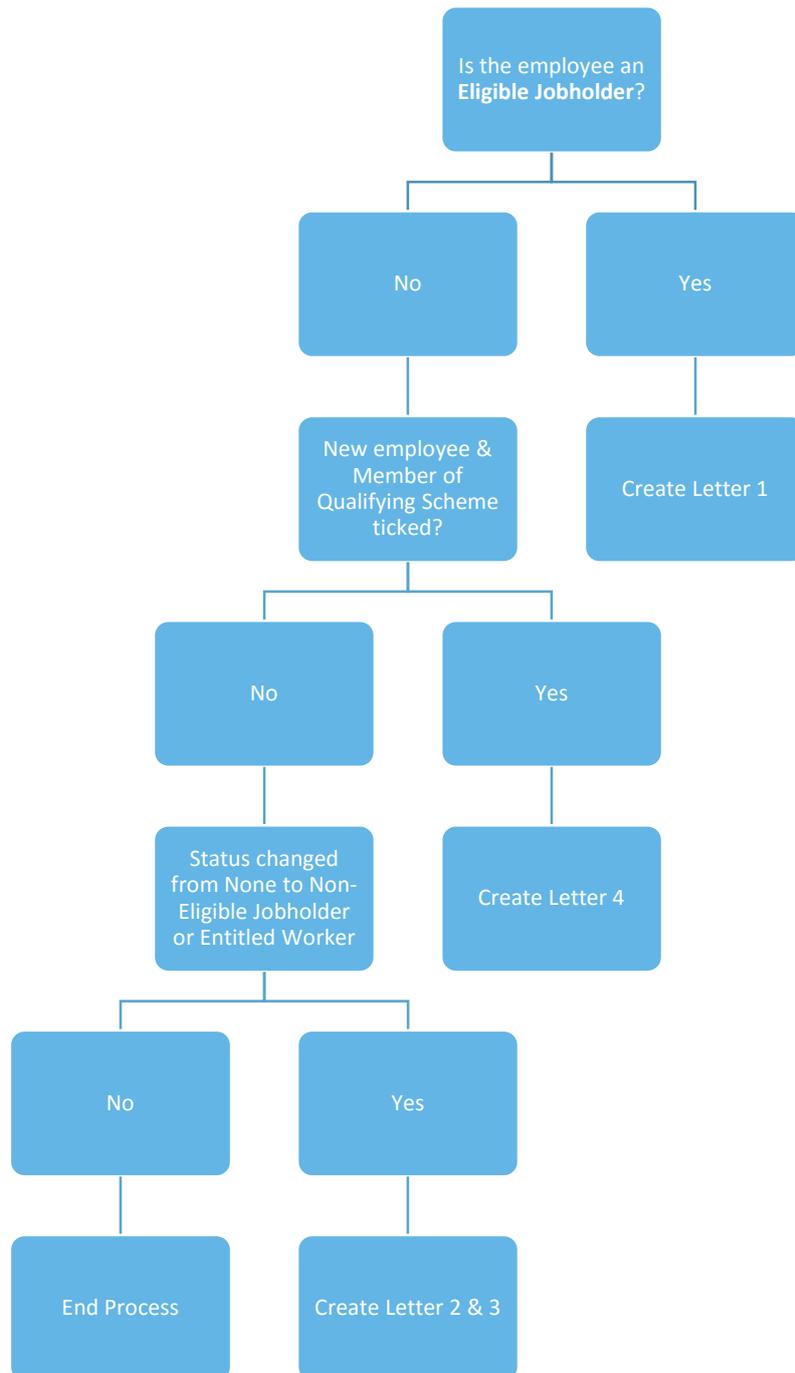
1. At Staging without Postponement



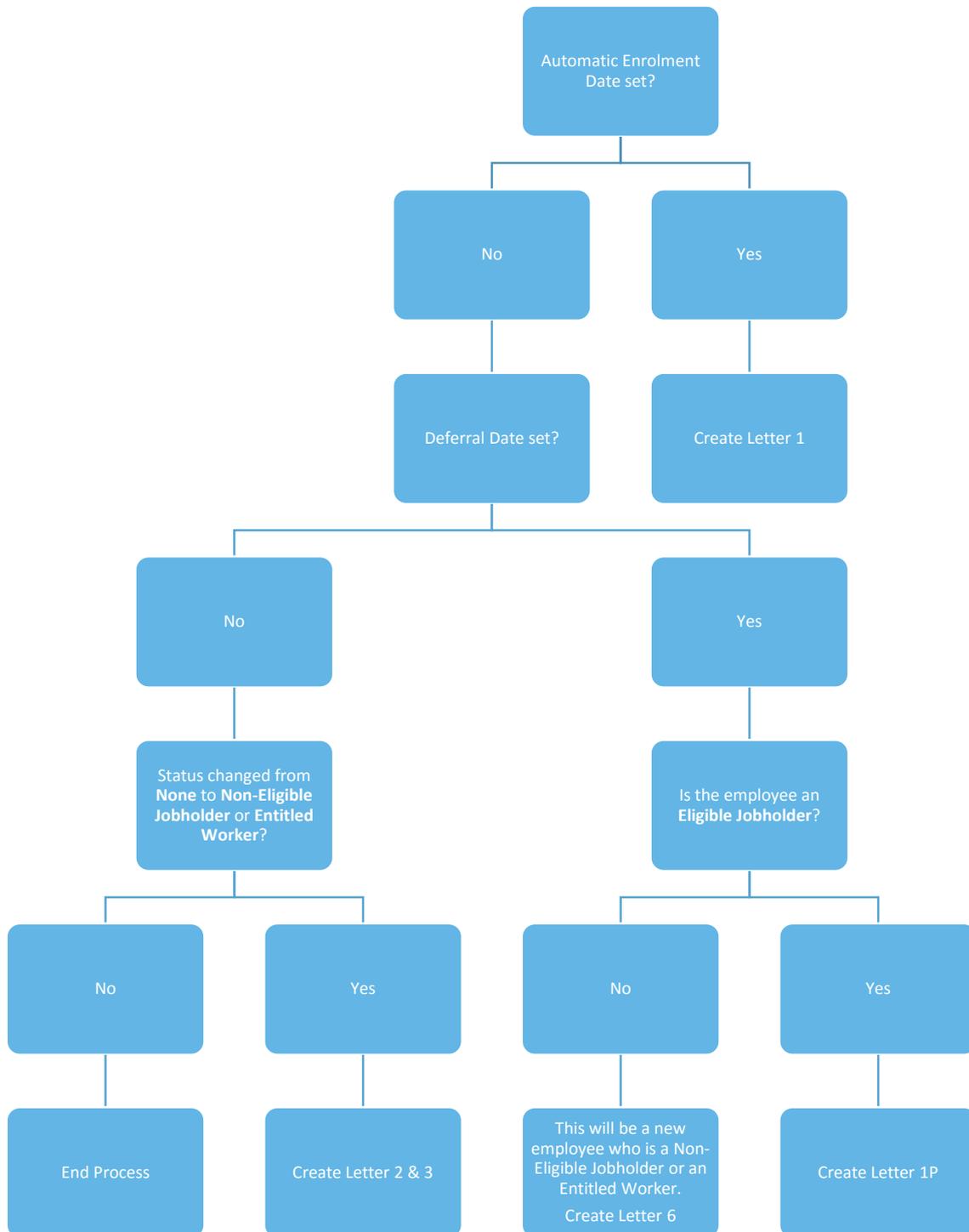
2. At Staging with Postponement



3. After Staging without Postponement



4. After Staging with Postponement



Quick Reference & Definitions

Pensions FAQ

An IRIS webpage designed to help you with Auto Enrolment/Pensions frequently asked questions

www.iris.co.uk/WPRFAQ

Department of Work & Pensions (DWP)

Policy owner and responsible for enabling and coordinating activity for the programme – and for communications to workers

www.dwp.gov.uk/policy/pensions-reform

The Pensions Regulator (TPR)

The UK regulator of work-based pension schemes (any scheme that an employer makes available to employees, including occupational, stakeholder and personal)

www.tpr.gov.uk

NEST

National Employment Savings Trust Corporation

– a pension provider available to all employers who want to use it. **NEST** is a workplace pension scheme designed for automatic enrolment that is available to any UK employer regardless of the organisations' size

www.nestpensions.org.uk

The Pensions Advisory Service

An independent non-profit organisation that provides free information, advice and guidance on the whole spectrum of company, personal and stakeholder schemes

www.pensionsadvisoryservice.org.uk

RTI

Real Time Information - how PAYE is reported to HMRC

Eligible jobholder

a worker:

- who is aged at least 22 and not yet reached SPA
- earnings are above the earnings trigger for automatic enrolment

Non – eligible jobholder

a worker:

- who is aged between 16 and 74 and
- earns above the lower earnings level for qualifying earnings but below the earnings trigger for automatic enrolment

or

- who is aged at least 16 and under 22 or between SPA and under 75 and
- earns above the earnings trigger for automatic enrolment

Entitled worker

a worker:

- who is aged at least 16 and under 75 and
- earns **below** the lower earnings level for qualifying earnings

Qualifying Earnings

Includes all of the following pay elements (gross):

- Salary
- Wages
- Commission
- Bonuses
- Overtime
- SSP, SMP, SPP, ShPP, SAP

These earnings are used to identify whether an employee is an eligible jobholder or a non-eligible jobholder and their level of contributions

- When a worker is paid in arrears, the employer considers what is due to be paid in the period containing the payroll date, regardless of when it is earned

Automatic Enrolment

Eligible jobholders not already a member of a **qualifying scheme** on the employer's **Staging Date** must be automatically enrolled into an automatic enrolment scheme. The employer will choose the scheme

Staging Date

The date when the new law is 'switched on' for a business

Qualifying Scheme

To be a **qualifying scheme**, minimum contributions must be made or it must provide a minimum rate at which benefits will build up. A scheme suitable for automatic enrolment must also **not**:

- impose barriers to joining the scheme, such as probationary periods or age limits for members
- require staff to make an active choice to join or take any other action prior to joining
- require the provision of extra information in order to stay in the scheme

Postponement Period

Postponement is an additional flexibility for an employer that allows them to choose to postpone automatic enrolment for a period of their choice of up to three months

Deferral Date

This is the last day of the **Postponement Period** and the date employees will be re-assessed for auto enrolment.

Opt-out

Eligible jobholders may choose to opt out after being auto enrolled. **Non-eligible jobholders** who have opted in may choose to opt out after they have been enrolled. Workers enrolled under contractual enrolment (e.g. under their contract of employment) and **entitled workers** who have asked to join a scheme, do not have the right to choose to opt out. If they want to leave, they must cease membership in accordance with the scheme rules.

Opt-in

A jobholder has the right to opt in to an automatic enrolment scheme, unless they are:

- an active member of a qualifying scheme with that employer
- an eligible jobholder for whom the employer has an automatic enrolment duty or
- an eligible jobholder for whom the employer has a re-enrolment duty

Pay Reference Period

The period an employee's auto enrolment assessment is based on. For further information see our [Pension FAQs](#)

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