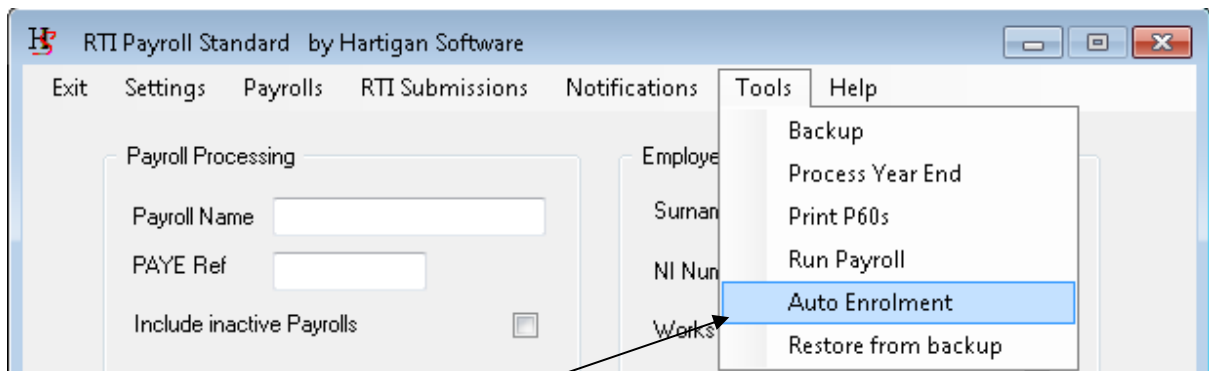




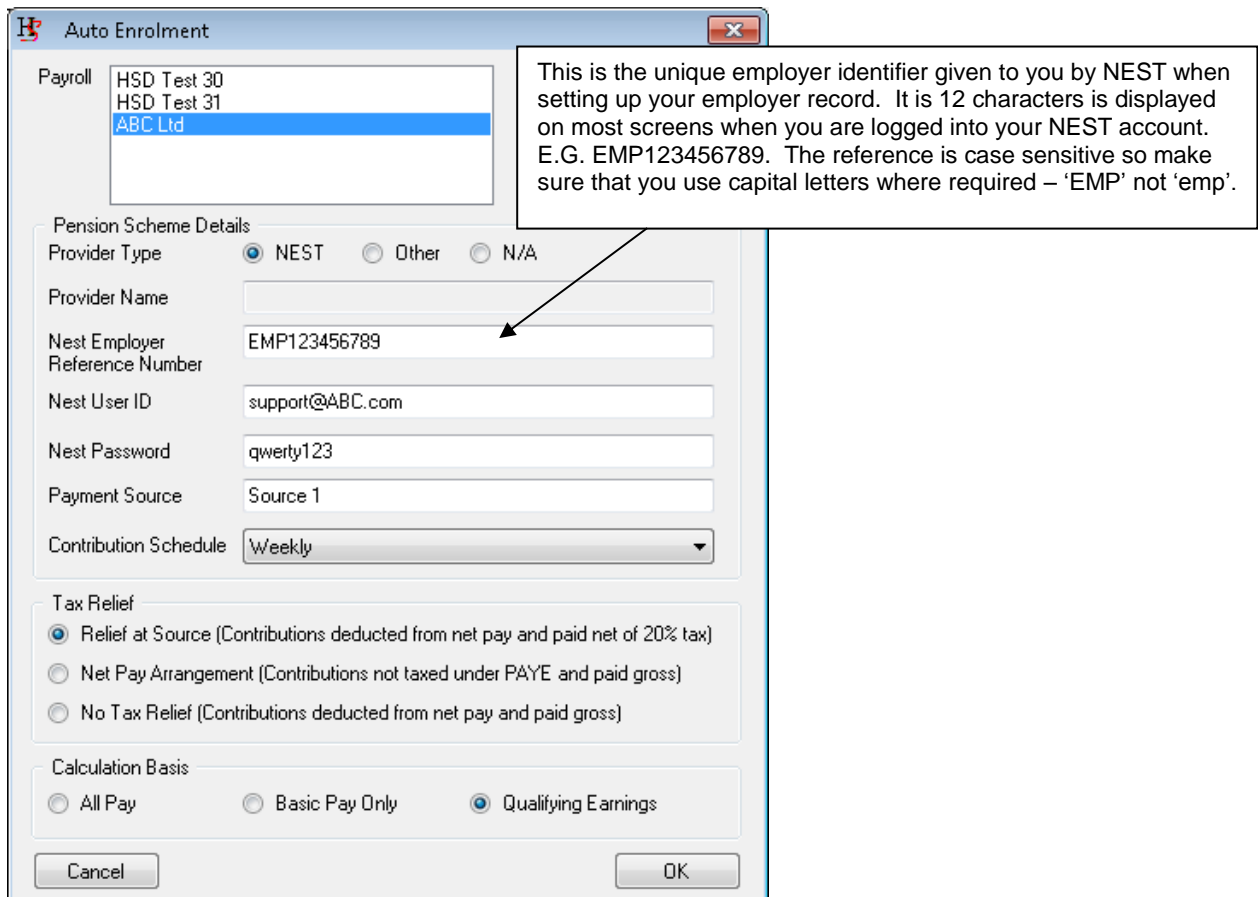
## RTI Payroll NEST and Workplace Pensions Guide

<b>Contents</b>	<b>Page Number</b>
<b>Set Up</b>	
Set up Auto Enrolment parameters for Payroll Scheme	2
Set up Auto Enrolment parameters for an Employee	4
Calculate pension contributions for each pay period	6
<b>Reporting to NEST</b>	
Report pension contributions to NEST	7
Approve NEST contribution schedules	11
Generate file for manual upload to NEST	12
Opting out of NEST	14

## Set up Auto Enrolment parameters for Payroll Scheme



Select the [Tools / Auto Enrolment] menu item to set the auto enrolment parameters. The following screen will be displayed:



Currently only NEST Pension Scheme payroll contribution reporting functionality is provided.

If 'Other' Provider Type is selected a generic report can be exported.

**Note:** The Pension Scheme Details, Tax Relief and Calculation Basis options selected will be used as default values for all new employees.

## Set up Auto Enrolment parameters for Payroll Scheme

Select the Provider Type

If NEST is selected:

- NEST employer reference number. This is the unique employer identifier given to you by NEST when setting up your employer record. It is 12 characters long and is displayed on most screens when you are logged into your NEST account. E.G. EMP123456789. The reference is case sensitive so make sure that you use capital letters where required – ‘EMP’ not ‘emp’.
- Payment Source. This is the worker’s payment source. Payment sources are created when you set up your pension scheme. All enrolled workers are assigned to a payment source. The payment source text is case sensitive so ensure the text entered exactly matches your NEST record.
- Contribution Schedule – The frequency of payments for each contribution schedule is set up when your pension scheme is set up. The frequency is displayed in the NEST contribution schedule.

### *Tax Relief*

Select the option that corresponds with how the tax relief is dealt with under the pension scheme. NEST schemes will be automatically set as ‘Relief at Source’.

### *Calculation Basis*

Select the employee earnings basis on which the pension contributions are to be calculated. Qualifying Earnings are the earnings used to calculate minimum contributions to a pension scheme. For the 2017/18 tax year qualifying earnings are those between £5,876 and £45,000. Employers can choose to calculate contributions on another definition of earnings and the RTI Payroll software supports ‘all pay’ and ‘basic pay only’ options in addition to qualifying earnings.

## Set up Auto Enrolment parameters for an Employee

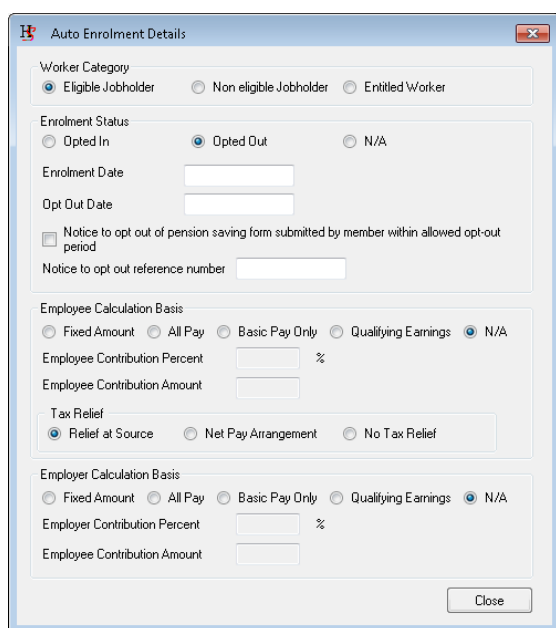
The screenshot shows the 'RTI Payroll Standard' software interface. It is divided into two main sections: 'Payroll Processing' and 'Employee Processing'.  
In the 'Payroll Processing' section, there are fields for 'Payroll Name', 'PAYE Ref', and a checkbox for 'Include inactive Payrolls'. Below this is a 'Payroll List' with a table containing 'ABC Ltd' and an 'Add New' button. At the bottom of this section is a 'Run Payroll' button.  
In the 'Employee Processing' section, there are fields for 'Surname', 'NI Number', and 'Works Number', along with a checkbox for 'Include Employees that have left'. Below this is an 'Employee List' with a table containing 'Jones, John', 'Maternity, Michelle Mary', 'Moorgate, Maria', 'O'Nat Ins-SRIT, Sandra-Jane', and 'St Monthly, Hilda'. An 'Add New' button is next to the list. At the bottom of this section is a 'View / Edit Employee Details' button.

Select the Employee from the list and press the [View / Edit Employee Details] button. The following screen is displayed:

The screenshot shows the 'Employee Details' form. It contains the following fields and options:  
- Title: [ ] Initials: [ ]  
- Forenames: John  
- Surname: Jones  
- Gender:  Male  Female  
- Date Of Birth: 03/03/1979  
- NI Number: AB342511C  
- Works Number: [ ]  
- Passport Number: [ ]  
- Address: 15 Low Street, Hitchin, [ ], [ ]  
- UK Post code or Non UK Country: SG5 2DD  
- Notes: [ ]  
- Tax Code: 1050L  
-  Week 1 / Month 1  
- NI Category: A  
- Scheme Contracted-out Number (SCON): [ ]  
- Student Loan Deductions: No  
- Employee Pay Period: Monthly  
- Standard hours worked per week: 24-29.99 hrs  
- Regular Pay Amount: [ ]  
- Direct Earnings Attachment: No  
- DEA Rate: [ ]  
- Period of Employment: Start Date: 01/02/2017, Leaving Date: [ ]  
- Employed as a director: No  
- Director's NI Calc Method: [ ]  
- Director Appointment Date: [ ]  
- Benefits taxed via payroll: Yes  
- Buttons: Calculate Gross, View Start Details, Print P45, Car Details  
- Bottom navigation: Partner Details, Statutory Payments, Auto Enrolment (highlighted), Undo Changes, Delete, Close

Press the [Auto Enrolment] button on the bottom of the screen. The following screen is displayed:

## Set up Auto Enrolment parameters for an Employee



### *Worker Category*

Select whether the worker is an eligible jobholder, non eligible jobholder or entitled worker. The following link provides guidance on assessing the workforce and the different category of workers: <http://www.thepensionsregulator.gov.uk/doc-library/automatic-enrolment-detailed-guidance.aspx#s11494>

### *Enrolment Status*

Select whether the employee is opted in, opted out, or if the status is not applicable e.g. if they are a non eligible jobholder and have not opted in.

### *Employee Calculation basis*

Select the employee's earnings upon which the employee pension contributions are to be calculated. Qualifying Earnings are the earnings used to calculate minimum contributions to a pension scheme. For the 2017/18 tax year qualifying earnings are those between £5,876 and £45,000. Employers can choose to calculate contributions on another definition of earnings and the RTI Payroll software supports 'all pay', 'basic pay only', and 'fixed amount' options in addition to qualifying earnings.

### *Tax Relief*

Select the option that corresponds with how the tax relief is dealt with under the scheme. NEST schemes should be set as 'Relief at Source'.

### *Employer Calculation basis*

Select the employee's earnings upon which the employer pension contributions are to be calculated. Qualifying Earnings are the earnings used to calculate minimum contributions to a pension scheme. For the 2014/15 tax year qualifying earnings are those between £5,772 and £41,865. Employers can choose to calculate contributions on another definition of earnings and the RTI Payroll software supports 'all pay', 'basic pay only', and 'fixed amount' options in addition to qualifying earnings.



## Calculate pension contributions for each pay period

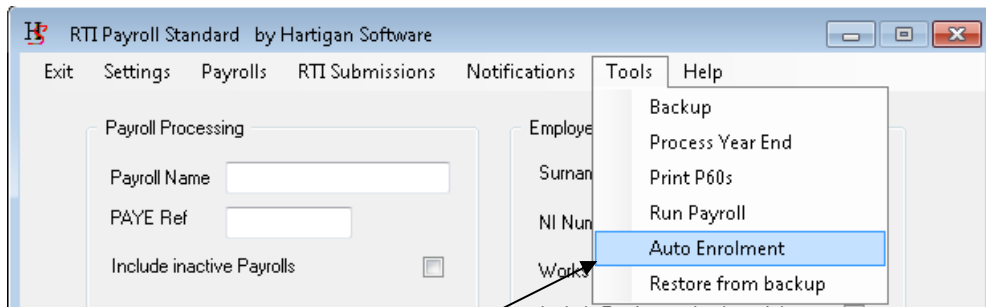
The pension contributions will be calculated automatically based on the values entered on the Auto Enrolment screen for the employee (see above). The auto enrolment values for each pay period are displayed when the [Auto Enrolment] button at the bottom the Pay Details screen is clicked

The screenshot shows the 'Pay Details' window with the following data:

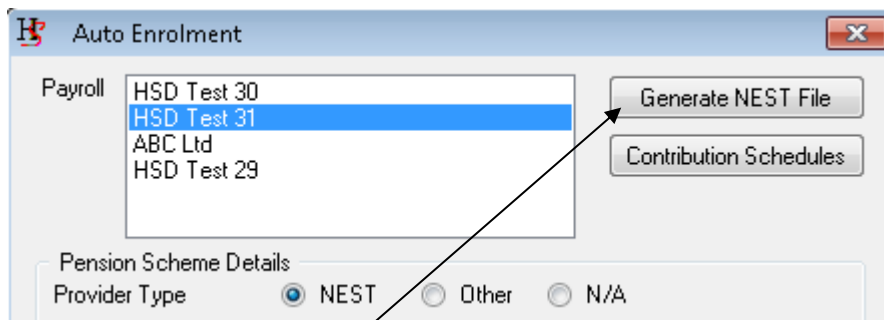
Field	Value
Employee	Maternity, Michelle Mary
Payment Date	10/04/2017
Month No	1
Pay Period	Monthly
Hours Worked	24-29.99 hrs
Periods Covered	1
Basic Pay	5,000.00
Gross pay this period (excluding statutory payments)	5,000.00
Worker Category	Non eligible Jobholder
Enrolment Status	Opted In
Enrolment Date	01/01/2016
Employer Calculation Basis	Qualifying Earnings
Employer Contribution Percent	2 %
Employer Contribution Amount	
Pensionable Earnings	3,260.00
Employee pension contributions deducted from salary	52.16
Employer pension contributions	65.20

The values for each pay period can be amended on this screen. If contributions are reduced or not paid in this pay period, the [Reason for partial or non-payment of contributions] drop down box should be selected.

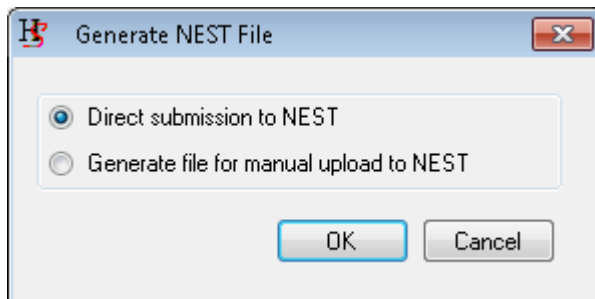
## Report pension contributions to NEST



Select the [Tools / Auto Enrolment] menu. The following screen will be displayed:



Click the [Generate NEST file] button. The following screen is displayed:



Select [Direct Submission to NEST] click the [OK] button.



## Report pension contributions to NEST

The following screen is displayed in order to select the earnings period that is to be submitted to NEST:

Payment Source	Frequency	Earnings Period	Payment Due Date
My source	Weekly	24/10/2016 - 30/10/2016	15/11/2016
My source	Weekly	17/10/2016 - 23/10/2016	08/11/2016
My source	Weekly	10/10/2016 - 16/10/2016	01/11/2016
My source	Weekly	03/10/2016 - 09/10/2016	25/10/2016
My source	Weekly	26/09/2016 - 02/10/2016	18/10/2016
My source	Weekly	19/09/2016 - 25/09/2016	11/10/2016
My source	Weekly	12/09/2016 - 18/09/2016	04/10/2016
My source	Weekly	05/09/2016 - 11/09/2016	27/09/2016
My source	Weekly	29/08/2016 - 04/09/2016	20/09/2016
My source	Weekly	22/08/2016 - 28/08/2016	13/09/2016
My source	Weekly	15/08/2016 - 21/08/2016	06/09/2016
My source	Weekly	08/08/2016 - 14/08/2016	30/08/2016
My source	Weekly	01/08/2016 - 07/08/2016	23/08/2016

Press the [Retrieve Contribution Schedules from NEST] button if the relevant contribution schedule is not listed.

Click here to generate the file

Click here to view the file

Click here to submit the file

### Viewing the file

The file will be displayed in a new window as per the following screen and can be printed via the [Print] Button:

**NEST: Update Contributions Request**

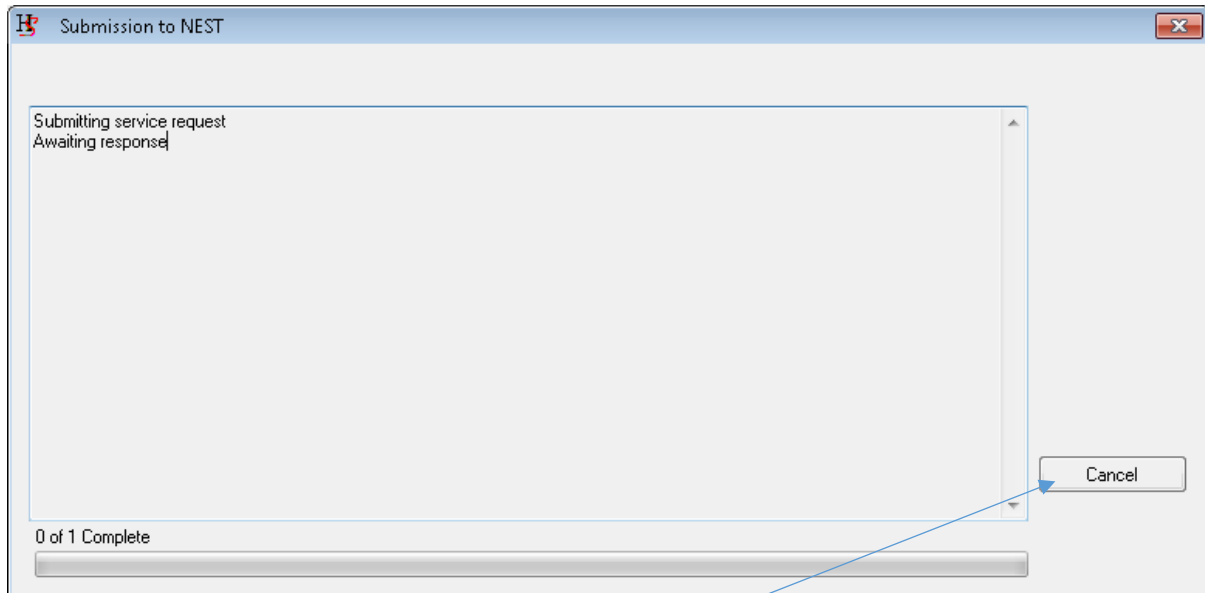
NEST Employer Ref EMP000035011  
 Frequency: Weekly  
 Earnings Period Start Date: 2016-09-05  
 Earnings Period End Date: 2016-09-11  
 Payment Due Date: 2016-09-27

Surname	NI Number	Alternative ID	Pensionable Earnings	Employer Contribution	Member Contribution
Ralph	AB999931C		£1,000.00	£10.00	£24.00
Ursula	AB999964C		£5,000.00	£150.00	£250.00
<b>TOTALS</b>	Employee Count: 2		£6,000.00	£160.00	£274.00

## Report pension contributions to NEST

### Submitting the file

The following screen is displayed when the files are being submitted to NEST:

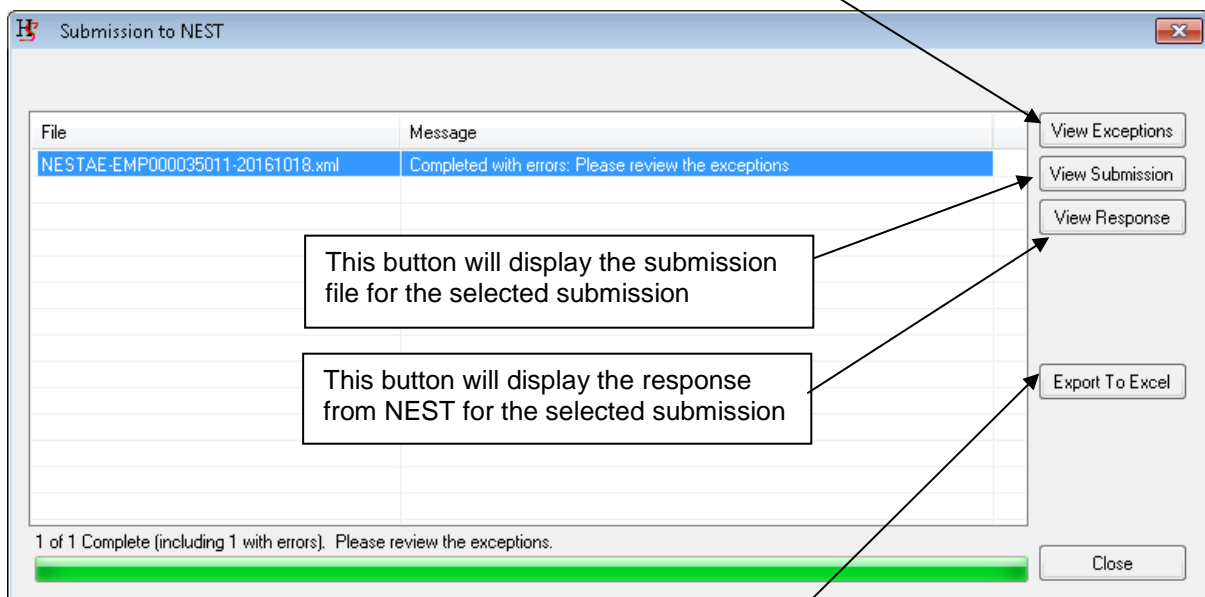


The process can be cancelled by pressing the [Cancel] button.

The progress bar on the bottom of the screen will provide an update on the progress.

The screen will update to display a list of submissions when the submission process is complete:

This button will display the exceptions for all submissions where an error occurred.



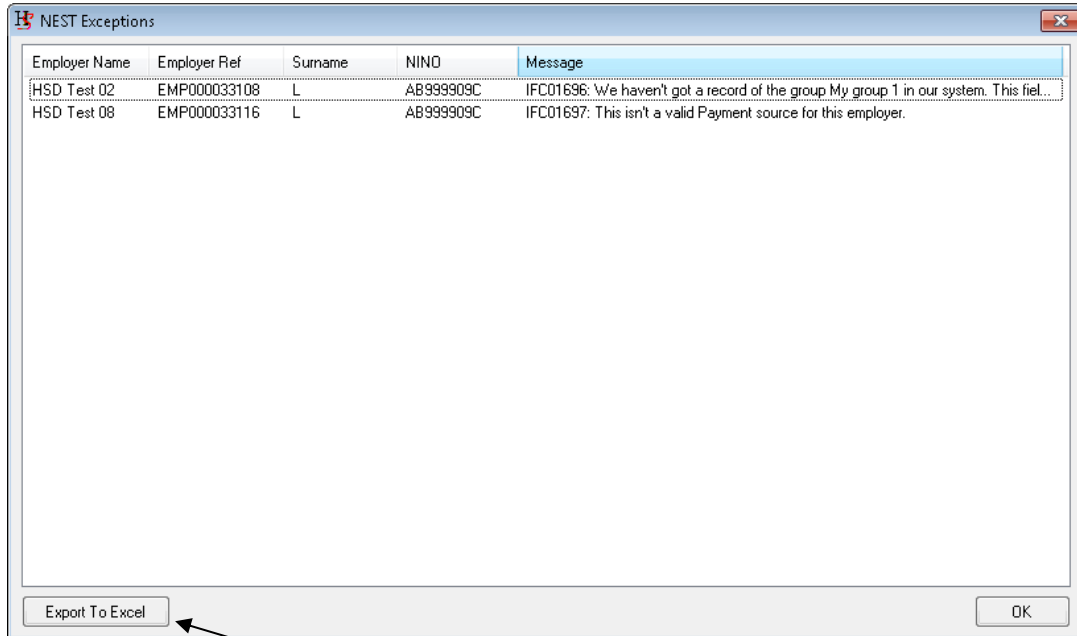
This button will display the submission file for the selected submission

This button will display the response from NEST for the selected submission

This button will export the items in the list to Excel for further analysis.

## Report pension contributions to NEST

Clicking the [View Exceptions] button will list the exceptions for all submissions where an error occurred. See the following screen for an example of this:



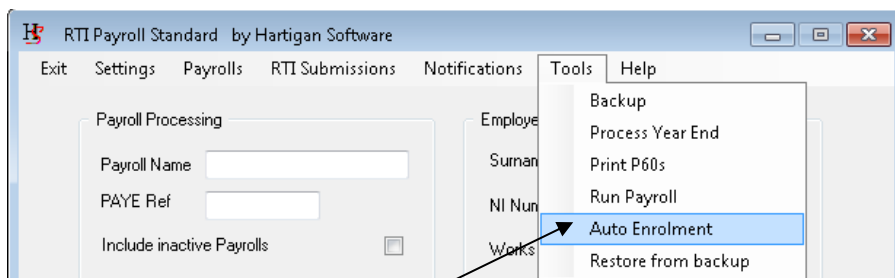
The screenshot shows a window titled "NEST Exceptions" with a table of data. The table has five columns: Employer Name, Employer Ref, Surname, NINO, and Message. There are two rows of data. Below the table, there is an "Export To Excel" button and an "OK" button. An arrow points from the "Export To Excel" button to a text box below the window.

Employer Name	Employer Ref	Surname	NINO	Message
HSD Test 02	EMP000033108	L	AB999909C	IFC01696: We haven't got a record of the group My group 1 in our system. This fiel...
HSD Test 08	EMP000033116	L	AB999909C	IFC01697: This isn't a valid Payment source for this employer.

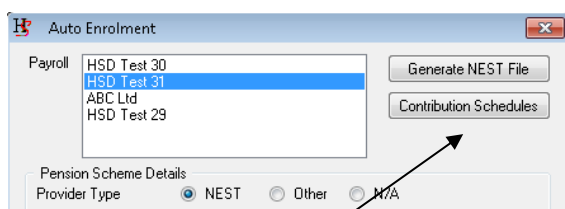
The list can be exported to Excel for further analysis.

## Approve NEST contribution

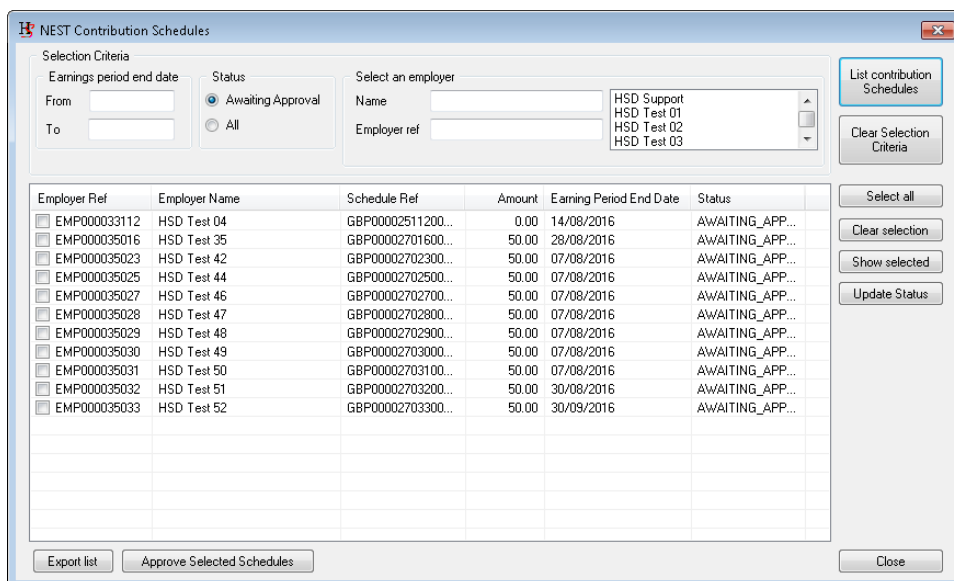
The contribution schedules will need to be approved for payment once they have been submitted to NEST. This can be done either online or via the following procedure using the RTI Payroll software:



Select the [Tools / Auto Enrolment] menu. The following screen will be displayed:



Press the [Contribution Schedules] button. The following screen is displayed:



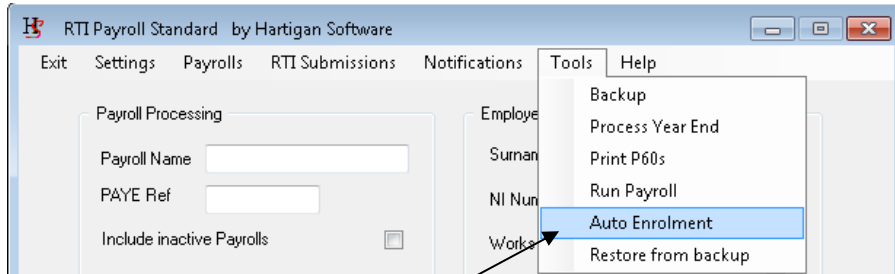
Enter the selection criteria to list the contribution schedules. The default is to list all contribution schedules for all employers that are awaiting approval.

Either select the contribution schedule by ticking the box in the list or press the [Select All] button. Press the [Approve Selected Schedules] button to begin the submission to NEST.

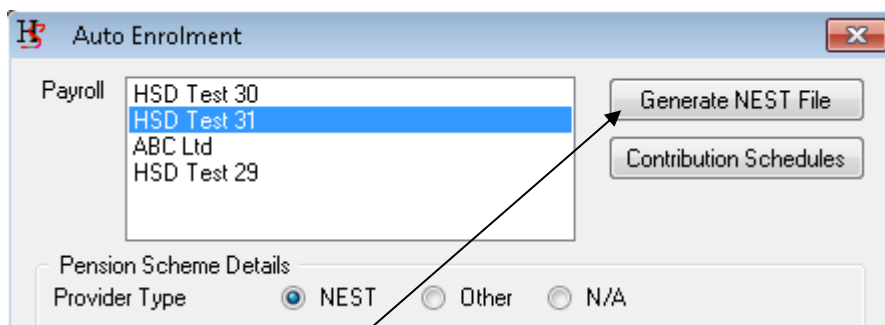
The status of the contribution schedules can be updated manually by clicking on an item in the list and pressing [Update Status] button. This process is primarily for housekeeping purposes and can be utilised if the contribution schedule has been approved directly on the NEST website or if it was created in error. Please note that this will only update the status of the contribution schedule in the submission software and not on the NEST website.

## Generate file for manual upload to NEST

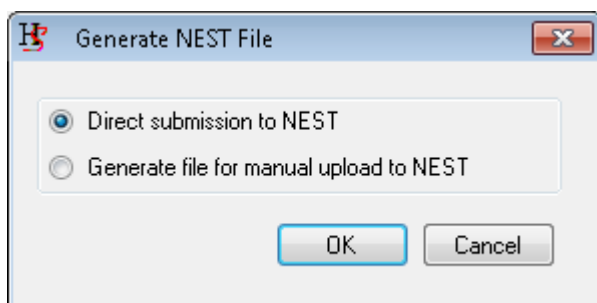
**NOTE:** This process is an alternative to reporting the pension contributions directly to NEST and is not required if this has already been done.



Select the [Tools / Auto Enrolment] menu. The following screen will be displayed:

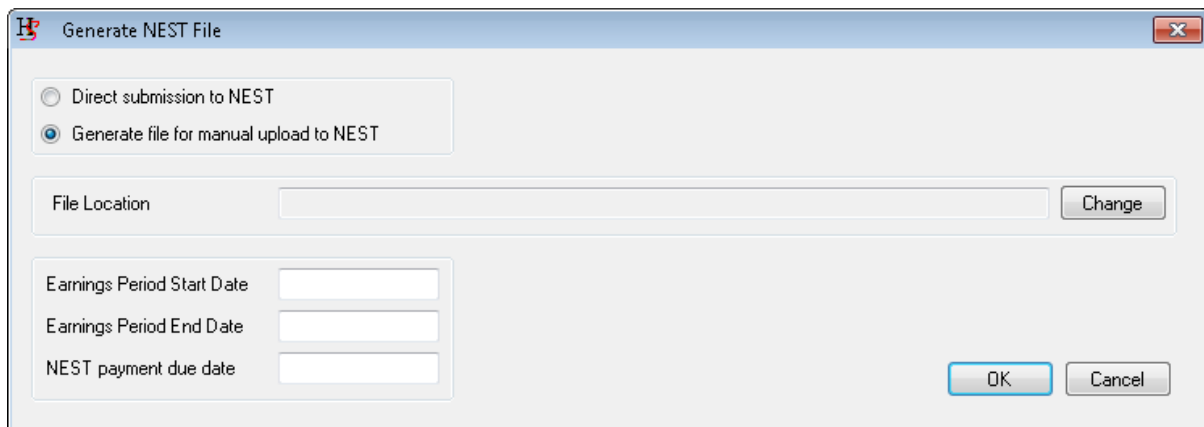


Press the [Generate NEST file] button. The following screen is displayed:



Select [Generate file for manual upload to NEST]. The screen will expand as per the below screen:

## Generate file for manual upload to NEST

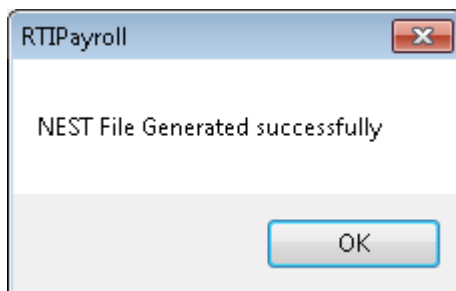


The screenshot shows a dialog box titled "Generate NEST File". It contains two radio buttons: "Direct submission to NEST" (unselected) and "Generate file for manual upload to NEST" (selected). Below the radio buttons is a "File Location" text box with a "Change" button to its right. Underneath are three date input fields: "Earnings Period Start Date", "Earnings Period End Date", and "NEST payment due date". At the bottom right of the dialog are "OK" and "Cancel" buttons.

Press the [Change] button to select the location and name for saving the file.

Enter the start and end dates of the earnings period that is to be reported to NEST along with the NEST payment due date and press the [OK] button to generate the file.

The following message will be displayed when the file has been generated:



The file can now be uploaded onto the NEST website from the location that it was saved to.

## Opting out of NEST

The employee will need to have submitted a Notice to opt out of pension saving form within the allowed opt-out period. If this has been done they should have received a Notice to opt out reference number. You will need this reference number along with the opt out date before submitting the information to NEST.

The screenshot shows the 'RTI Payroll Standard' software window. The 'Employee Processing' section is active, displaying a list of employees. The 'View / Edit Employee Details' button is highlighted with a green oval. The 'Payroll Processing' section on the left includes fields for 'Payroll Name', 'PAYE Ref', and a checkbox for 'Include inactive Payrolls'. The 'Employee List' on the right shows a list of employees, with 'Maternity, Michelle Mary' selected. Other buttons visible include 'Run Payroll', 'Print Payslips', and 'Enter Pay Details'.

Select the employee from the list and press the [View / Edit Employee Details] button. The following screen will be displayed:

The screenshot shows the 'Employee Details' form. The 'Auto Enrolment' button is highlighted with a green oval. The form contains various fields for employee information, including 'Title', 'Forenames', 'Surname', 'Gender', 'Date Of Birth', 'NI Number', 'Works Number', 'Passport Number', 'Address', 'UK Post code or Non UK Country', 'Notes', 'Tax Code', 'NI Category', 'Scheme Contracted-out Number (SCON)', 'Student Loan Deductions', 'Employee Pay Period', 'Standard hours worked per week', 'Regular Pay Amount', 'Direct Earnings Attachment', 'DEA Rate', 'Period of Employment', 'Start Date', 'Leaving Date', 'Employed as a director', 'Director's NI Calc. Method', 'Director Appointment Date', and 'Benefits taxed via payroll'. Buttons for 'Partner Details', 'Statutory Payments', 'Auto Enrolment', 'Undo Changes', 'Delete', and 'Close' are visible at the bottom.

Click the [Auto Enrolment] button at the bottom of the screen. The following screen will be displayed:

## Opting out of NEST

**Auto Enrolment Details**

Worker Category  
 Eligible Jobholder  Non eligible Jobholder  Entitled Worker

Enrolment Status  
 Opted In  Opted Out  N/A

Enrolment Date

Opt Out Date

Notice to opt out of pension saving form submitted by member within allowed opt-out period

Notice to opt out reference number

Employee Calculation Basis  
 Fixed Amount  All Pay  Basic Pay Only  Qualifying Earnings  N/A

Employee Contribution Percent  %

Employee Contribution Amount

Tax Relief  
 Relief at Source  Net Pay Arrangement  No Tax Relief

Employer Calculation Basis  
 Fixed Amount  All Pay  Basic Pay Only  Qualifying Earnings  N/A

Employer Contribution Percent  %

Employer Contribution Amount

Close

Select the [Opted Out] option, enter the [Opt Out Date], select the [Notice to opt out of pension saving form submitted by member within allowed opt-out period] check box and enter the [Notice to opt out reference number].

Also select the [N/A] option under Employee Calculation Basis] and [Employer Calculation Basis] if no other pension contributions are to be paid via the payroll software.



## Opting out of NEST

When adding the first payment after opting out, select 'Member has opted out' from the [Reason for partial or non-payment of contributions] drop down box and enter '0' in the [Pensionable Earnings], [Employee pension contributions deducted from salary] and [Employer pension contributions] text boxes.

The screenshot shows the 'Pay Details' window for Employee: Maternity, Michelle Mary. The 'Auto Enrolment' section is active, with 'Enrolment Status' set to 'Opted Out' and 'Opt Out Date' as 01/03/2017. The 'Reason for partial or non-payment of contributions' is 'Member has opted out'. The 'Pensionable Earnings' and 'Employee pension contributions deducted from salary' are both 0.00. The 'Auto Enrolment' button is highlighted with a green circle.

If you will be refunding the NEST contributions previously paid, also enter the negative amount of the pension contribution refund in the [Value of employee pension contributions that are not paid under "net payment arrangement" in pay period] text box. Please note that you cannot refund pension contribution that have been paid in a previous tax year via this screen. This will need to be done via an Earlier Year Update return.

You will need to contact NEST regarding the procedure for receiving the refund from them.

The screenshot shows the 'Pay Details' window with the 'Deductions from Net Pay' section. The 'Value of employee pension contributions that are not paid under "net payment arrangement" in pay period' is -200.00. The 'Auto Enrolment' button is highlighted with a green circle.

Field	Value
Value of student loan deductions in this period	318.00
Value of employee pension contributions that are not paid under "net payment arrangement" in pay period	-200.00
Value of Direct Earnings Attachments in pay period	0.00
Value of other deductions from net pay in period	0.00
Pay after all deductions	3,006.88

The final step in the process is to submit the NEST return as normal.