

Micropay Professional

PRSA/Pension Set-Up

Micropay Professional allows you to set up deductions for Pension, RAC (Retirement Annuity Contracts), AVC (Additional Voluntary Contribution) and PRSA (Personal Retirement Savings Account). Extra functionality specific to these types of deductions include, displaying **Employer Contributions** on the payslip, displaying a **Remittance Statement** on the payslip, the production of a **Pension Deduction Report**, and a facility to create a **Pension Contributions file** for sending to pension providers.

To facilitate all of this there is a feature called a **Pension Link**, which will allow you to manage and account for a number of PRSA/Pension Deductions more efficiently. With the introduction of PRSA's (Personal Retirement Savings Account), you are now obliged to offer a facility to set up a PRSA scheme for your employees, and deduct the appropriate amount each pay period, no less than once a month. The Pension Link table will store details on your PRSA/Pension schemes and the scheme providers.

A PRSA/pension deduction can have the following attributes:

- The deduction is only taken from Gross pay and will be a set amount or percentage.
- An employer's contribution is allowed for each PRSA/pension deduction; it too is a set amount or percentage.

You can produce an electronic file (Pension Contribution File) containing all the PRSA/Pension deduction information for your PRSA/Pension scheme providers. Within Micropay Professional, pensions and PRSAs operate under similar concepts and the terms "pension" and "PRSA" are interchangeable for the purposes of this document.

Setting up Pension Link Details

1. Start Sage Micropay Professional and log in as ADMIN.
2. From the **Tables** menu, select **Pension Link**. The Pension Link screen will be displayed.

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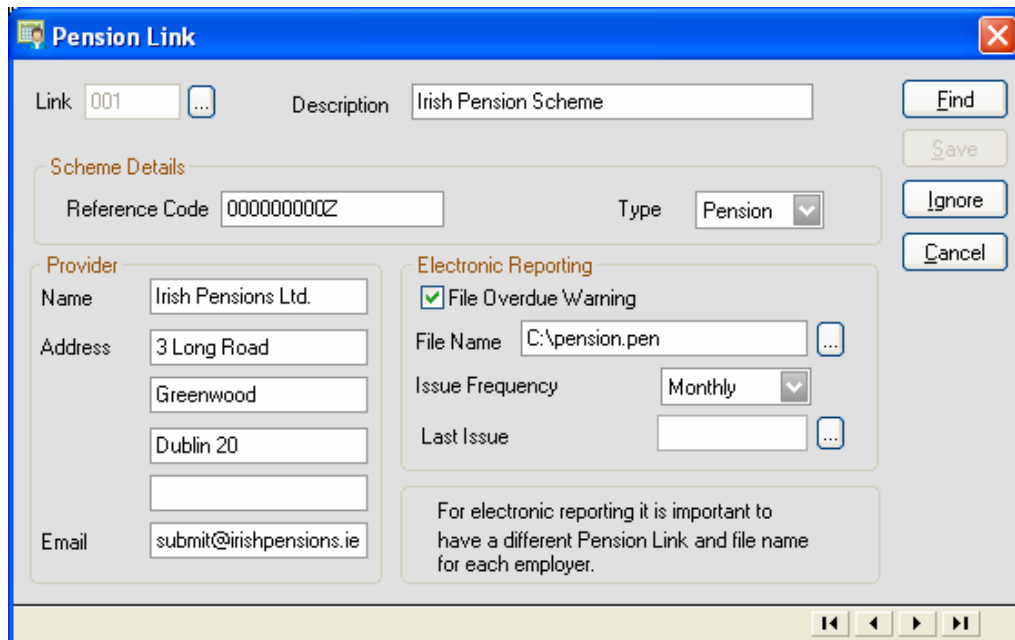
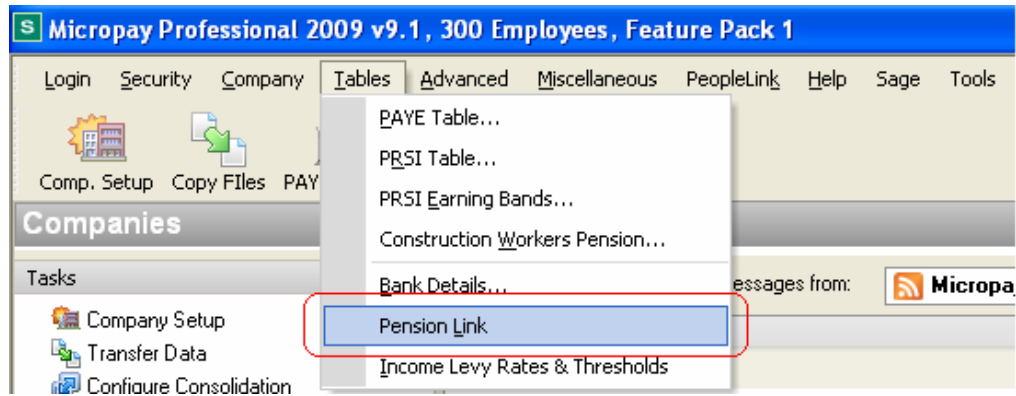


Fig 1: Example setup of Pension Link.

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Select Pension:

Link	Scheme	Description
001	000000000Z	Irish Pension Scheme
		(1) Pension
		(2) AVC
01		Incomplete - Irish PRSA
		(3) PRSA

Process Date: 30/01/2008

File Name: C:\pension.pen

File: Remit

Report: Print, Preview, Setup

Cancel

3. To create a new Pension Link, enter the **Link** number and select **Find**.
4. You may enter information in the following fields. Those marked with * are mandatory for the purpose of creating a Pension Contribution file. If you are in any doubt as to what information should be entered here please contact your scheme provider.
5. Once you have entered all of the Pension Link details, click on **Save**.

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*Link:	A unique number assigned by you to every scheme. You may have a maximum of 200.
*Description:	Used to identify a scheme. This appears when you are assigning a PRSA or pension deduction to this scheme in the Company Deductions setup menu later on.
*Reference Code:	Assigned by scheme providers to identify PRSA/Pension Files that are submitted electronically.
Type:	Select either Pension or PRSA or RAC as appropriate for this scheme.
*Provider:	Contact information for the scheme provider including name, address and email.
File Overdue Warning:	Select this if you would like Micropay to remind you that a PRSA/pension file is due when setting a new period. This works in conjunction with Issue Frequency .
File Name:	The location and name of the electronic contribution file, e.g. A:\prsa1.pen
Issue Frequency:	The period of time over which the Pension Report balances are accumulated. This also determines how often you are reminded to create a pension file.
Last Issue:	The date on which you last created a pension file.

If you wish to link multiple companies to a single scheme (i.e. to submit several deductions in a single file), please be aware that only companies of the same employer (same Tax Registration) can be linked to the same scheme.

The PRSA/pension scheme that you have now setup will become available for selection within the **Company Deductions** menu. This is where you set up each Pension, PRSA and AVC deduction.

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Setting up PRSA / Pension Deductions

1. Log into the company as normal.
2. Click on **Company/Payroll** and select **Deductions**.
3. If you are using an existing PRSA/pension deduction then all you need to do is select the appropriate scheme under the **Pension column** and specify whether it is an **AVC** (Yes/No) or not.
4. If you are setting up a new PRSA/pension then the following are mandatory:
 - a. Enter an appropriate **Title** (this is what will print on the payslips)
 - b. Make it **Type** “Gross”
 - c. Select appropriate **Pension** scheme (this will come from the title of the Pension Link)
 - d. Say whether it is an **AVC** (Additional Voluntary Contribution) or not (Yes / No)
 - e. Select “Yes” for **Balance**
 - f. Tick **Holid’able** if the deduction amount will be specified as a set amount per employee. Don’t tick **Holid’able** if the deduction will be calculated as a percentage of the employee’s pay.
 - g. It is recommended to leave **Standard Amount** as 0.00. Putting a value in here will be *multiplied* by each of the employee’s deduction amounts.
 - h. Employee Formula is only necessary if the deduction will be calculated as a percentage of the employee’s pay. If the deduction amount will be specified as a standard amount per employee in Employee Details then leave the **Employee Formula** blank. If it will be a percentage calculation then please contact your support centre for assistance in choosing the correct employee formula for the calculation.
 - i. If there will be an employer contribution to this PRSA/Pension then you will need to enter an **Employer Formula**, whether it is a standard amount *or* percentage, that will specify how the employer’s contribution will be calculated – you may need to contact your support centre for assistance in generating this formula.

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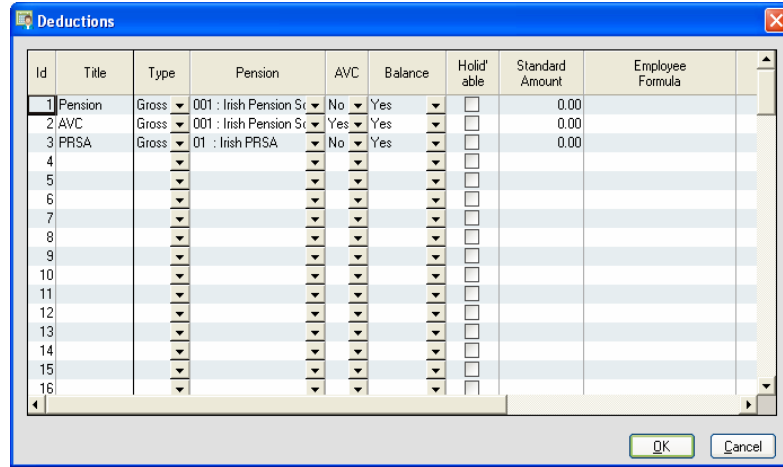


Fig 2: Example setup of Pension, PRSA and AVC.

5. Click **OK** when the details are complete.

If the employee will be deducted a standard amount and not a percentage of pay, that amount can be entered in **Employee Details** under the **Elms/Deds** section under the **Std. Amount** for the specific pension.

Once these are in place you may begin processing your **Timesheets**. Select an employee under a PRSA/Pension scheme and enter their pay details. Click on **Calculate** to see the contribution. Below is an example of how the payslip appears for a PRSA deduction that also has an employee AVC and an employer contribution.

DEDUCTION DETAILS			
DESCRIPTION	T/N	THIS PERIOD	BALANCE
PAYE		56.00	302.60
PRSI		38.72	115.48
PRSA	G	50.00	50.00
AVC	G	20.00	20.00
-----Employer Pension Contribution-----			
PRSA	G	40.00	40.00

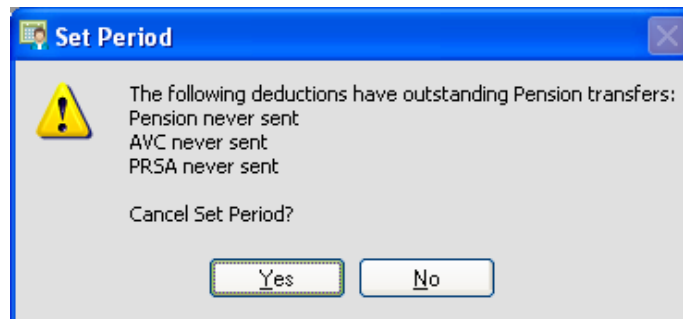
Fig 3: Example payslip showing a PRSA, AVC and Employer Contribution to PRSA.

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Generating and Remitting a Pension Contribution File

This option will produce a Pension Contribution file containing all of the PRSA/pension deduction information for a particular scheme. Please note: a **Pension Link** must be set up before producing this file. The data from multiple companies for one employer can be merged into one file if all of the companies are subscribed to the same scheme.

The file itself should be produced after **EOP (End Of Period)** but before setting a new period. For a consolidated company each of the source payrolls must be at "Status P". If you have selected the 'Create File Reminder' option via the Pension Link screen, you will be warned if a PRSA/pension file is due and has not been generated, when starting a new period. You will also be warned of any other outstanding Pension Transfers.



1. From the **Reports** menu select **Payroll Reports**. Alternatively select the **Reports** icon on the toolbar.
2. Click on the **Pension Contrib. Report** button. The Pension Contribution screen will be displayed.

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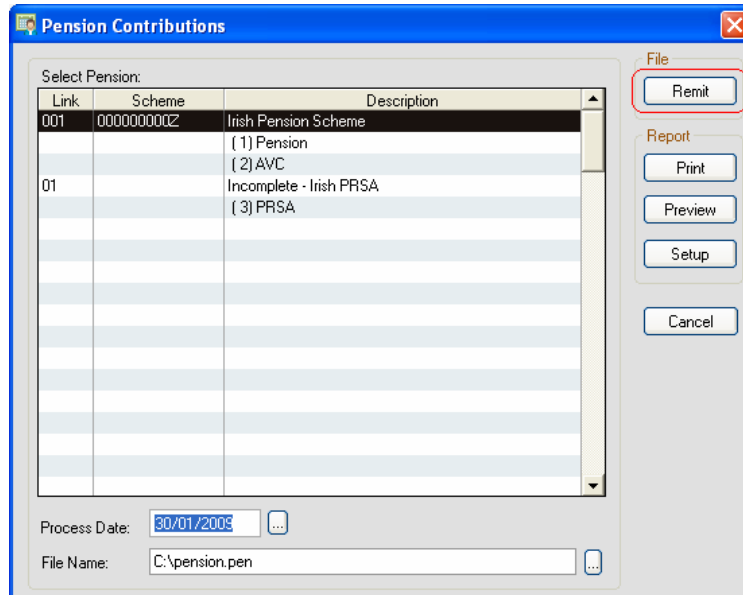


Fig 5: Example of Pension Contribution Report and Remittance menu.

3. Select the scheme that you wish remit.

If a pension link is displayed as 'Incomplete' it means the Reference Code or the Pension Provider's name has not been entered on the Pension Link screen. You will not be able to produce the Pension Provider file until you have updated this information.

4. If you are logged into a consolidated company, the **Consolidate** button will become available. By selecting this button you will merge the contents of the Employee Details File, the Company Deductions File, and the Employee Deductions File from all associated companies into the consolidated company. Please note: merging PRSA/pension deductions in a consolidated company should only be carried out when the deductions are set up on the same number on the **Company Deductions** menu, i.e. if "PRSA" is deduction number 1 for Company A but for Company B it is deduction number 4, then Companies A and B cannot be merged to create a single PRSA/Pension file – separate contribution files will be required.
5. For a printout of the information that is going into the contributions file click on **Print**, or to view it beforehand click on **Preview**. To create the file click on **Remit**.

Note: it is recommended that you print the Pension Provider Contribution File Report before generating the file to check that all details are correct.

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6. After you have clicked the **Remit** button, a message will be displayed informing you that the PRSA/Pension file has been generated. Click **OK** to confirm. The **Last Issue Date** of that scheme will be automatically updated.
7. You will now be provided with a preview of the Pension Control Sheet, detailing the amount to be forwarded with the file, or to be collected by direct debit on receipt of the file. Close the preview once you are satisfied with the information.

You may now send the pension file to your PRSA/Pension provider.

After the file is created the "Report Balances" for the PRSAs/pensions will be cleared when the next pay period is started. A PRSA/Pension Report Balance is separate to the Tax Year and Financial Year Balances. It is a short-term balance that accumulates over a period of time, no longer than 1 month, and when you remit to the PRSA/pension provider, this balance will clear down. **If you do not generate the contributions file the Report Balances will continue to accumulate.**

Pension Remittance Payslip Notification

Micropay Professional can display a **Pension Remittance Notification** on payslips to inform employees that their PRSA/pension contributions have been sent to their scheme providers. The message will only display if:

- The **Pension Remittance Notification option** is switched on.
- A **Pension Link** is set up and a PRSA/pension deduction is assigned to it.
- The **Remit** routine is run for the PRSA/pension scheme.

Note: The remittance message will **only** appear on payslips **in the period after the remittance takes place**.

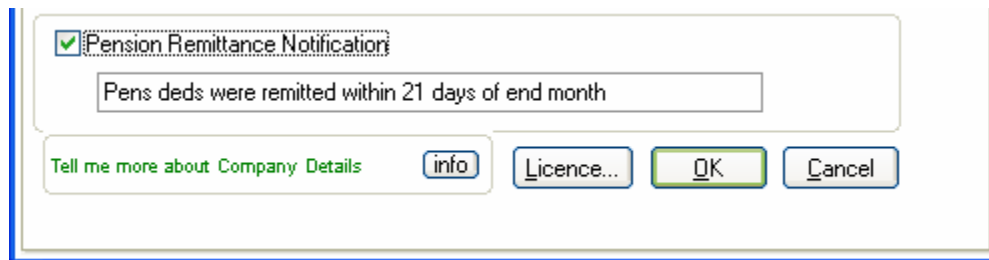
For example:

A weekly payroll remits the contributions every month. During periods 1, 2, 3 and 4 the employees pay into a pension scheme. At the end of the month (i.e. after the 4th week is run),

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the Pension Contribution Report is generated and the payroll operator runs the **Remit** routine. The remittance message will not appear on the payslips for period 4. It will not appear until the payslips for period 5 are printed.

- To turn on this feature open the **Company** menu and select **Company Details**. Click on the **Misc** tab and you will see a tick-box for the **Pension Remittance Notification** option at the bottom. The text for this message can be changed if needs be, but it cannot be any longer than 54 characters (including spaces, etc.).



The screenshot shows a dialog box titled "Pension Remittance Notification". At the top left, there is a checked checkbox. Below the title bar is a text input field containing the text "Pens deds were remitted within 21 days of end month". At the bottom of the dialog, there are four buttons: "Tell me more about Company Details" (with an "info" icon), "Licence...", "OK", and "Cancel".

- The **Pension Link** setup is explained earlier in this document.
- The steps needed to **Remit** a contribution are outlined in the section above.

Note: If you do not run the Remit routine for a scheme on time, the accumulated balances for that report/remittance may have a higher or lower value than expected. If you are starting to use the Pension Contribution Report for the first time it is recommended that you run the Remit option **beforehand** so that any unwanted balances are cleared.

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