



adminsoftware.biz

Adminsoft Accounts User Guide

Payroll

Written by Michael Towle

Last updated 15th February 2023

Copyright © 2023 Adminsoft Ltd.

All rights reserved. No part of this publication may be reproduced in any form or by any electronic or mechanical means including information storage and retrieval systems without permission in writing from the publisher, except by a reviewer, who may quote brief passages in a review.

Published by Adminsoft Ltd. To contact the publisher please email sales@adminsoftware.biz

The authors and publishers have taken great care in the preparation of this publication, but make no express or implied warranty of any kind and assume no responsibility for errors or omissions. No liability is assumed for incidental or consequential damages in connection with or arising out of the use of the information contained herein.

Adminsoft Accounts Basic User Guide – Payroll

Introduction

Adminsoft Accounts actually contains two payrolls: one specifically for the United Kingdom, and one that may be of use in other countries. You can select which payroll to use (if any) when initially setting up your company/organization details (or editing them). Please see the guide on installation for more detail.

Both payrolls are very basic. The United Kingdom version includes the tax and NI tables, and RTI as required by HMRC to submit payroll data to their system. It is possibly the only UK payroll that can be free to use and still support over 10 employees. If you're not based in the UK, you can still select and use the UK payroll if you wish (it won't include the RTI options, as they are specific to the UK's tax authority – HMRC). Look through this guide to see whether it might work for you.

A payroll package is usually expensive to buy, and expensive to maintain. With on-line payroll, you may not have the upfront cost of a PC application, but there will still be significant on-going costs. The reason is that a full implementation of payroll is a large application, that represents a lot of development time. The UK probably has one of the most complex tax systems in the world, and so is expensive to develop and maintain. Especially as the rules governing operation of payroll keep changing. So, software developers can't develop a payroll and sit back. It has to be maintained every so often, if it isn't, it becomes useless. Hence the on-going cost. As Adminsoft Accounts can be used for free, and even when the user chooses to purchase, there is still no on-going cost, development time has to be kept to an absolute minimum (though that still makes it VERY time consuming). Whereas the actual accounts system is quite sophisticated, the payroll is about as basic as it's possible to make it. Where other, comparatively expensive UK payrolls will make calculations for you for things like SMP payments, SAP payments, etc. the Adminsoft payroll will not. You will have to work out some of these yourself. This is fine if you're a small business/organization. But where you're employing maybe 30 people, or 40 people, or more, then the Adminsoft payroll may not be suitable. You can continue to use Adminsoft Accounts, but use a third party payroll.

This guide will assume you already have some basic knowledge of how payroll works. If you're based in the UK and not familiar with payroll, or are a little rusty, HMRC's web site has some very good pages that will introduce you to the way tax codes and NI contributions work.

The first section of this guide is about the United Kingdom payroll, the second section is all about using the alternative international payroll.

United Kingdom Payroll

Setting Up

By far the easiest time to start operating the payroll is the start of a tax year. If you want to start part way through a tax year, the only way to do it is to backdate to the first pay period, and run the payroll for each period until you have caught up to the current period. The problem with this is you need to be very careful that figures produced for each period exactly match those produced by your old payroll. A discrepancy with the tax isn't so much of a problem, unless the employee is on a period one basis, but NI could be as it is always effectively worked out on a period one basis (this

Adminsoft Accounts Basic User Guide – Payroll

isn't always the case for directors, but in this payroll NI cannot be handled cumulatively).

First thing is to make sure your payroll module is actually available. By default, when creating a new company/organization in the United Kingdom, the payroll module will be enabled. But if for some reason it isn't, you need to this in the company/organization details form. To do this, when the accounts system starts up, single left click on your company/organization, and then click the 'Comp./Org. Details' button. The following form will appear:

Adminsoft Accounting Suite (Freeware Version) v4.161 - User: FIRST

Exit Setup General Sales Ledger Purchase Ledger Nominal Ledger Stock Control AutoManager HR/Payroll Help

Code: ADMINSOFF (alphanumeric, to identify this set of ledgers)

Name: Adminsoft Ltd.

Address: 254 Great Street
Little Town
Large County

Tel:
Fax:
Web:
Country: United Kingdom Add new country to the list

Sales Tax or VAT Registration No. 53554354464
Company/Organization Reg. No. 645657557564
Email Addr. for Account Queries accounts@adminsoftware.biz
Email Addr. for Sales Enquiries sales@adminsoftware.biz
Alternative location for data Browse
Alternative location for backups Browse

Additional program modules required:
☒ Payroll (United Kingdom)
☐ Payroll
☐ AutoManager
☐ Shop/Cafe Manager

If a new set of ledgers is being created for your company / organization, before entering any transactions it is VITAL that you thoroughly check that it is set up correctly.

Most of these company/organization details can be changed at any time. So if you are unsure of anything, you can leave it and come back to it later. In any case all input fields (except Code, Name, and County) are optional.

The ledger base currency is automatically selected based on the country (as setup on the left). The country CAN NOT be changed once setup.

☒ Registered for Sales Tax or VAT?

Help
Install Guide
Notes
Delete
Copy From
Cancel
OK

Quit this form without saving any changes.

You'll see the option for '**Payroll (United Kingdom)**' at the top of the form, right of centre. Make sure it's ticked, click it if not. The '**Payroll**' option below it is for the international (alternative) payroll, which we're not interested in in this part of the guide. Click the '**OK**' button to save any changes.

Next, you need to make sure all the employee additions and deductions that you might need are available, and set up correctly. Though these can be changed at anytime, so you can always go back and edit or add something. We do not recommend you delete any additions or subtractions, in case they have already been used in the payroll. To check/edit these, when you are working in the company/organization, click on 'Setup' on the top menu bar, go down to 'HR/Payroll', and select 'Payroll Additions/Deductions'. A form will appear that will look something like the following screen image:

Adminsoft Accounts Basic User Guide – Payroll

Code	Description	Default Amount	LowerBand	UpperBand	Account	Type
ASPP	Add. Statutory Paternity Pay	0.00				Addition
BONUS	Bonus	0.00				Addition
CCFO	Company Car Fuel, Own Use	0.00				Deduction
COM	Sales Commission	0.00				Addition
EXP	Company Expenses	0.00				Addition
PCMA	Private Car Mileage	0.00				Addition
PEN	Pension Contribution	0.00				Deduction
SAP	Statutory Adoption Pay	0.00				Addition
SLD	Student Loan Deduction	0.00				Deduction
SMP	Statutory Maternity Pay	0.00				Addition
SPP	Ord. Statutory Paternity Pay	0.00				Addition
SSP	Statutory Sick Pay	0.00				Addition
WPS	Workplace Pension (Employee)	-0.80%	5,880	45,000	2550	Deduction
WPSEM	Workplace Pension (Employer)	1.00%	5,880	45,000	7120	Contribut:

Single left click on the deduction/addition to select.

Type:

Code: (maximum five characters)

Description:

Sub/Ded Type:

Default Amnt: (may be zero)

Lower Band: (P/A, may be zero)

Upper Band: (P/A, may be zero if Lower Band is zero)

N/L Account:

N/L Credit:

Apply:

Accept Pence: ☐ (see Help for details)

Notes:

Buttons: Clear, Save, Delete, New Code, Help, Print List, OK

You can see that most additions and deductions that you're likely to need are already set up for you. The '**Code**' on the left hand side is the code that will be used in the employee's pay details to identify the addition/deduction. The '**Default Amount**' is often set to 0.00, this is because you'll want to enter the exact amount when processing the payroll. Note some additions/deductions are percentage based, and so are automatically calculated. Any percentage will be shown in the '**Default Amount**' column. The '**Account**' column is the Nominal Ledger account. Most additions/deductions do not require a specific Nominal Account, but some do (more on this later). The '**LowerBand**' and '**UpperBand**' columns are only used where the addition/deduction is a percentage, they may 0.00. The '**Type**' column shows where the line is for: Addition, Deduction, or Contribution. 'Contribution' is a third type, and is used when the employer is making a contribution on behalf of the employee (ie. It doesn't affect the employees pay, although may be based on a percentage of it).

We do not recommend you delete any of the additions/deductions that have been set up for you. As it's likely you will need them at some point. Some, such as pensions and those deductions that all begin with the letter 'S' (by coincidence) cannot be deleted. It's worth discussing pensions at this point.

The code 'PEN' is a deduction for employee contributions to a private pension. If you want to create any other codes to handle pensions, ALWAYS start the code with 'PEN' (there's a maximum of five characters in a code). Conversely, if you create an addition/deduction for anything other than a pension, do NOT start it the code 'PEN'. Pensions need to be reported in the FPS (under RTI), so the software looks for any deductions where the code starts 'PEN', and reports the deduction as a pension payment. The 'PEN' that is already set up, is for a flat amount. In other words, you'll enter the actual pension amount when processing the payroll. There are two other codes associated with pensions. They are 'WPS' which is for the Workplace Pension (employee

Adminsoft Accounts Basic User Guide – Payroll

contribution), and is set to 0.8% This will be 0.8% of the employee total pay before tax. The first year your company/organization operates a Workplace pension scheme, your employees will normally pay 0.8% (as of tax year 2017/18), but this can increase in subsequent years, so check it's the right deduction for you. The other is 'WPSEM' which is for the Workplace Pension (employer contribution), and is set to 1% Again, like 'WPS', this can increase after the first year. Both 'WPS' and 'WPSEM' are calculated on the employee's total pay before tax, but within the lower and upper bands as given.

Both 'PEN' and 'WPS' should have a Nominal Account specified. This is a liability account, so after the payroll has been run, the account should show the total owed to the pension company. 'WPSEM' actually has two Nominal Accounts set up. One for the liability, and another is an expense account. As 'WPSEM' is an employer contribution, it is not included in the payroll's normal salaries postings (although you can change the expense account to the salaries account if you do not wish to separate out the expense).

It worth clicking the **'Help'** button in this form, as it gives a fair amount of information on exactly how to create new codes, and edit existing ones.

Next job is to set up or at least check the tax and NI rates. These should already be set up for you, and when you update your software prior to a new tax year, the new tax and NI rates should also be included in the update. So, in theory, you don't need to do anything! But it's worth checking anyway, they are rather important! So, click on 'Setup' on the top menu bar, go down to 'HR/Payroll' and select 'Payroll Tax and NI Rates'. A small form should appear listing the tax years for which tax and NI are already set up:

If the tax year you require isn't listed, you'll have to click the 'New Year' button, you'll then be able to type in the year, and click **'OK'**. As the tax year you need probably is listed, just click on it, and a new form will appear looking something like this:

Adminsoft Accounts Basic User Guide – Payroll

Setup PAYE National Insurance and Tax Rates: Tax Year 2023

NI Contribution Table: Employees				NI Contribution Table: Directors							
	Weekly Pay From:	Monthly Pay From:	Employees Contribution						Employers Contribution		
			A	B	C	J	H / M	Z	A to J	H / M	Z
Lower earnings limit	123.00	533.00	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Secondary threshold	175.00	758.00	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	15.05 %	0.00 %	0.00 %
Primary threshold	242.00	1048.00	13.25 %	7.10 %	0.00 %	3.25 %	13.25 %	3.25 %	0.00 %	0.00 %	0.00 %
Upper earnings limit	967.00	4189.00	3.25 %	3.25 %	0.00 %	3.25 %	3.25 %	3.25 %	15.05 %	15.05 %	15.05 %
Upper secondary thres	967.00	4189.00	3.25 %	3.25 %	0.00 %	3.25 %	3.25 %	3.25 %	15.05 %	15.05 %	15.05 %

Income Tax Bands and Rates		
England	Scotland	Wales
Start of Band	Rate%	Start of Band
0.00	20.00	
37,701.00	40.00	
150,001.00	45.00	

	England	Scotland	Wales
Tax rate for code BR	20.00 %	SBR 20.00 %	CBR 20.00 %
Tax rate for code D0	40.00 %	SD0 21.00 %	CD0 40.00 %
Tax rate for code D1	45.00 %	SD1 41.00 %	CD1 45.00 %
Tax rate for code D2	0.00 %	SD2 46.00 %	CD2 0.00 %
Max. rate for code K	50.00 %	SK 50.00 %	CK 50.00 %

It is your responsibility to ensure these tables and rates are correct.

Note: Do NOT assume they will be used correctly! Ensuring the right tax and NI deductions are made is also your responsibility.

Buttons: New, Delete, Clear, Save, Help, Cancel, OK

It's pretty self explanatory. Provided you're familiar with payroll, everything on here will be obvious. Note: directors have their own NI table, although usually this is the same as for regular employees. One thing to note is the greyed out input fields in the 'Secondary threshold' band for 'Employees Contribution', this is because this band is for employer NI only. In the 'Primary Threshold' band for 'Employer Contribution' the input fields are greyed out because the band is for employee NI only. You'll also notice codes 'D2' and 'CD2' are also greyed out, as currently (tax year 2020/21) only 'SD2' is used by HMRC (in Scotland).

If you have a mixture of employees from England, Scotland and/or Wales, they can all exist in the same payroll. They will be taxed according to their tax code.

NOTE: When an employee earns over £100,000 in the tax year, they start to lose their free pay. As such high earners are unlikely to be using Adminsoft Accounts, this facility is **NOT** handled automatically. You would have to make manual adjustments to the tax calculation.

VERY IMPORTANT: While the tax and NI may be automatically set up for you, it is **YOUR** responsibility to ensure the details are correct. Adminsoft Ltd. and its agents and affiliates can take no responsibility whatsoever for the accuracy of the information provided, or for the processing of it. Always thoroughly check employee payslips to ensure they are correct.

The next thing to set up is your tax office and RTI related stuff. Obviously, as this is all very specific to your company/organization, none of it will be set up for you. It is vital, as you will not be able to use RTI without it, you don't have to use the RTI built into Adminsoft Accounts, you could use HMRC's web filing system instead (which is currently limited to 9 employees). But would will find the RTI built into Adminsoft Accounts far more convenient. Click on 'Setup' on the top menu bar, go down to 'HR/Payroll' and select 'HMRC RTI Setup'. A form will appear that looks

Adminsoft Accounts Basic User Guide – Payroll

like this:

HMRC Office Number	999	(first three digits of the Employers PAYE Reference)
Employer PAYE Reference Number	999999	(exclude first three digits and the slash)
Employer Accounts Office Reference	999PA99999999	(for example: 123PA00045678)
Employer Contract Out Number		(only required if operating contracted out scheme)
Self Assessment Unique Tax Reference		(only if sole proprietor or partnership)
Corporation Tax Reference	9999999999	(only if ltd or plc company, 10 digits)
Service Company Indicator	N	(indicate 'Y' if IR35 has been applied)
Government Gateway User ID	99AAA9A9A9A	
Government Gateway Password	y78gt5d6hh7	
RTI running in TEST mode only	N	(enter 'Y' to run RTI in test mode only)
RTI test date (if in TEST mode)	//	(used as date of submission, can be left blank)
Bank Account Holders Name	Test Company Ltd.	(optional)
Bank Account Number	99999999	(optional)
Bank Account Sort Code	999999	(optional)
Building Society Reference	99999999999999	

The data held in this form can be sensitive, and the '**Government Gateway**' user ID and password should always be kept secret, so we've just put useless data in here. But at least it gives you some idea of what's needed. The first three input fields **MUST** be entered. The next three depend on your particular circumstances.

'**RTI running in TEST mode only**' when set to 'Y' allows you to run the payroll, and make RTI submissions, without actually filing any data with HMRC. Although the RTI submissions will go through to HMRC computer systems, they will be flagged as tests, and treated as such. HMRC's computers will respond as normal, complete with error checking, but they just will not record the data. It's worth setting up a test company/organization, and running the payroll over a couple of pay periods, with '**RTI running in TEST mode only**' set to 'Y', to get some experience at using it, and iron out any issues.

The '**Government Gateway**' user ID and password are issue by HMRC. They are not required when testing the payroll/RTI, but will be required for making real RTI submissions.

The last thing we need to do in setting up the payroll is the payslips. Unlike most other documents produced by Adminsoft Accounts, the payslip layouts cannot be edited. There are two sizes of payslip: a small one that will print about five to a page, and a large one that will print two per page. The small one is limited to a maximum of five additions/deductions, and the description of each addition/deduction is limited to 15 characters. If there are more than five additions/deductions for an employee, they will be processed, so their pay will be correct, but they won't all show on the payslip. The larger payslip can handle up to nine additions/deductions, and the description for each is a full 30 characters.

Payslips

To select a payslip layout, click on 'Setup' on the top menu bar, go down to 'HR/Payroll' and select 'Payroll Settings'. A small form will appear. It gives you the option of changing some terminology, but this is only relevant where you're operating the payroll outside of the UK. We're just interested

Adminsoft Accounts Basic User Guide – Payroll

in the last input field '**Payslip Layout**'. There are four payslip layouts available, the first is small, and will print approximately five payslips on one page. It looks like the following:

S T W Services Employee: Tester, Fred Reference: TEST9 Department: WOR NI Code: AA123456A Tax Code: S647L-W1 Pay Period: 9/2018 Period End: 08/06/2017	This Period		Year to Date	
	Basic salary	1,000.00	Salary (this employ):	6,000.00
			Salary (other employ):	4,000.00
			Tax (this employ):	1,892.43
			Tax (other employ):	500.00
	Gross pay	1,000.00	Employer NI :	116.33
	Tax	221.38	Payment made by:	CHQ
	NI	87.76	Payment made on:	31/10/2017
	Net pay	690.86		

Accounts software from www.adminsoftware.biz

Any notes that go with the payslip get printed below it. As you can see, there's not much space, particularly in the centre section. It doesn't take many types of deductions (for pensions, health insurance, etc.) to fill this up. Too many deductions, and some can get left out. The other payslips are large, and only print two per page. They look something like this:

S T W Services Employee: Tester, Fred Reference: TEST9 Department: WOR NI Code: AA123456A Tax Code: S647L-W1 Pay Period: 9/2018 Period End: 08/06/2017	This Period	
	Basic salary	1,000.00
	Gross pay	1,000.00
	Tax	221.38
	NI	87.76
	Net pay	690.86
Year to Date		
	Salary (this employ):	6,000.00
	Salary (other employ):	4,000.00
	Tax (this employ):	1,892.43
	Tax (other employ):	500.00
	Employer NI :	116.33
	Payment made by:	CHQ
	Payment made on:	31/10/2017

Accounts software from www.adminsoftware.biz

There is a LOT more space. They can accommodate all the deductions an employee is likely to have. Also, any employer contributions (such as part of the Workplace Pension Scheme) will be shown at the bottom of the righthand side section.

Unlike other documents such as sales invoices, statements, etc. the layout of the payslips cannot be altered. There are just these two pre-existing layouts. Also, once a layout is selected, it is used for all payrolls (several separate payrolls can be created in the payroll system).

That's it for setting up. The next stage is to create a payroll.

Creating a Payroll

The payroll software can handle one or more payrolls. Each payroll can have different employees on it, and can have different pay periods. It is common to have a monthly payroll and a weekly one.

Adminsoft Accounts Basic User Guide – Payroll

Click on 'HR/Payroll' on the top menu bar, then select 'Payroll'. A form will appear, looking something like this:

The screenshot shows the 'Payroll' window. It features a table with columns: Payroll, Freq, Last Year, Last Prd, Last Date, and Processed. The first row shows 'Monthly Paid', 'Month', and empty date fields. To the right, there's a 'Next Pay Period' section with fields for 'Tax year', 'Period', and 'Prd end date', along with 'Cancel' and 'OK' buttons. Below the table, the 'HMRC PAYE Payment' section includes 'HMRC N/L Account' (2500), 'Amount Owed' (0.00), and buttons for 'Record Payment to HMRC' and 'View HMRC Account Details'. On the right side, there are buttons for 'List EPS Submissions', 'Send EPS to HMRC (RTI)', 'Send EAS to HMRC (RTI)', 'Verify NI Numbers (RTI)', 'Payroll History', 'Next Period', 'Payroll Setup', 'Pay Input', 'Create a New Payroll', and 'Help'.

One payroll will already have been created for you, with a monthly pay period (as it's the most common). Whatever pay period you wish to use, you can still use this payroll. Single click on it and then click the '**Payroll Setup**' button. The following form will now appear:

The screenshot shows the 'Payroll Setup Details' window. It has a 'Description' field set to 'Monthly Paid'. Other fields include 'Department' (ANY), 'Payroll Frequency' (Monthly), 'Period ends at end of month' (N), and 'Default Payment Method' (CSH). There are sections for 'Regular Employees' and 'Directors', each with fields for 'N/L A/c PAYE Control', 'N/L A/c Salaries Expense', and 'N/L A/c for Employer NI'. A 'Notes' section at the bottom contains the text 'Created automatically on software installation.' On the right, there are fields for 'Last Tax Year', 'Last Tax Period', 'Last Period End Date', and 'Last Processed Date'. A green text box provides instructions: 'Nominal/General Ledger account codes must be specified for 'Regular Employees'. If any account codes are not given, no postings will be made when the payroll is processed. Account codes for postings for 'Directors' are optional. If any are left blank then the accounts as specified for 'Regular Employees' will be used.' At the bottom right, there are buttons for 'Delete', 'Help', 'Cancel', and 'OK'.

If you payroll is not monthly, you may want to change the description. The '**Department**' is optional. '**Payroll Frequency**' allows you to set up the pay period. It lists quite a few options: weekly, fortnightly, four weekly, monthly, quarterly, bi-annually, annually, and irregular. This last pay period option allows you to run the payroll on any date, as many times as you wish. Although it offers much flexibility, it's actually very rarely used.

I won't go through every input field. Click on the '**Help**' button for a detailed explanation of each input field. Note you can enter separate Nominal Ledger accounts for regular employees and directors. By default, the section for directors is empty, which means it'll use the accounts set up for 'Regular Employees'. But common account practice is to post to different salary and employer NI

Adminsoft Accounts Basic User Guide – Payroll

expense accounts. This is because in the Profit & Loss report, the trend is to show employee's salaries under Cost of Goods and directors in Overheads. Which I personally think is wrong, as employees to a large extent are a fairly fixed cost. Unless most of them are on a zero-hours contract. But it's now internationally accepted practice.

Once you are happy with the payroll set up, the next stage is to put employees on the payroll, and enter their pay details. Click on 'HR/Payroll' on the top menu bar, and select 'Employee Details'. Select an employee, or create a new one (click the 'New' button). The employee's full name and address, '**Status**', '**Sex**', '**Date of Birth**', and '**Date Started**' are all vital for RTI. The information must be correct, as it will be sent to HMRC. '**Sex**' is limited to just 'Male' and 'Female' because HMRC only recognise these two values. I apologise to those who may be transgender or gender fluid. Note: in other some countries: Argentina, Australia, India, and South Africa, Adminsoft Accounts offers a 'None binary' option (v4.246 onwards). You can change the setting to allow this in the UK: Setup → System → Setup country/region data Just be aware that HMRC will only accept male/female (as of August 2022).

The screenshot shows the 'Employee Details' window for John E. Smith. The window has a title bar with standard OS controls. Below the title bar, there's a search bar with 'Employee Ref.' and 'Find' buttons, and a name field showing 'John E Smith'. The main area is divided into several sections: 'Details' (Title, Last Name, Middle Name/s, First Name, Address, Post Code, Home Tel., Mobile Phone, Home Email, Work Email, Holidays), 'Next of Kin / Working Week', 'Documents/Diary', 'Holidays/Absence', 'Pay Details', and 'Pay History'. The 'Details' section includes fields for Title (Mr), Last Name (Smith), Middle Name/s (E), First Name (John), Address (23 Some Street), Post Code (SS1 1DD), Home Tel. (555 3636474), Mobile Phone, Home Email (smith@gmail.com), Work Email (j.smith@adminsoftware.biz), and Holidays (25.00). The 'Pay Details' section includes Status (Single), Sex (Male), Date of Birth (01/01/1980), Date Started (16/05/2012), Date Finished (//), Department (MAN), Position (Sales manager), Reports To (Sales director), Purchase Lim. (15000), Passport No., Country of Res (United Kingdom), Partner Name (Jane Smith), and Partner NI Ref. There are also checkboxes for 'Include employee in lists of:' (Sales personnel, Purchase personnel, Mechanics) and a 'Reminders' button. At the bottom, there are buttons for 'List Vehicles', 'List Emails', 'Images of Employee', 'Print Details', 'Employee Notes', 'Help', 'New', 'Delete', 'Clear', 'Save', and 'OK'. A small note at the bottom left states: 'When a user is looking for certain types of personnel, perhaps sales people, for example. Whether this employee appears in the list is indicated here.'

As you can see, there's lots of stuff in employee details. Much of it doesn't concern us here. Note: vehicles are discussed in detail at the end of this guide.

There are two ways of setting the employees basic pay. One is to set up a fixed salary, that doesn't vary each pay period, apart from additions/deductions. The other is to pay the employee by the hour. If you intend to do the later, then click on the '**Next of Kin / Working Week**' tab. The form details will change, and look something like this:

Adminsoft Accounts Basic User Guide – Payroll

Employee Details

Employee Ref. JS Find Name: John E Smith

Details Next of Kin / Working Week Documents/Diary Holidays/Absence Pay Details Pay History

Contact/Next of Kin New Delete Clear Save

Full Name Address Post Code Telephone Mobile Phone Email Address Relationship Notes

Type of absence being recorded or planned.

Working week

	Normal Hours	Overtime Rate 1	Overtime Rate 2	Total Hours
Monday	8.00	0.00	0.00	8.00
Tuesday	8.00	0.00	0.00	8.00
Wednesday	8.00	0.00	0.00	8.00
Thursday	8.00	0.00	0.00	8.00
Friday	7.00	0.00	0.00	7.00
Saturday	0.00	0.00	0.00	0.00
Sunday	0.00	0.00	0.00	0.00
Total hours:	39.00	0.00	0.00	39.00

The 'Normal Hours' and 'Overtime Rate' are used by the Time Planner to work out employee availability. If you are running the payroll, they can also be used to calculate the pay of hourly paid employees.

A default working week can be created in Setup -> Human Resources, which may save you time when entering new employees onto the system.

? Help New Delete Clear Save OK

We're just interested in the righthand side, the '**Working week**' section. This allows you to enter the employees normal working day, plus extra hours (overtime) that may represent different rates of pay. For Saturday and Sunday working, you may wish to put all the hours into one of the overtime columns. The actual hourly rate will be set up in the '**Pay Details**' tab:

Employee Details

Employee Ref. JS Find Name: John E Smith

Details Next of Kin / Working Week Documents/Diary Holidays/Absence Pay Details Pay History

Payroll Two Week 1

Salary 2100.00 (amount paid each period)

Hourly Rate 0.00

Overtime Rate 1 0.00

Overtime Rate 2 0.00

Tax Code 905L

NI Code A (A, B, C, H, J, M, Z, or X)

NI Reference AA652381A (no spaces)

Week/Month One N (Y/N)

Paid as Director Y (Y/N) Accumulate NI Y (Y/N)

Aggrtd Earnings N (Y/N)

P11D Due N (Y/N)

Starting Declarn This is their first job in the tax year

Payment Method BACS BACS

Bank Sort Code (no dashes, eg. 302048)

Bank A/c Number

If the employee has left, and you no longer wish to pay them, select 'Not on payroll' in the 'Payroll' in/out field.

Regular Additions/Subtractions

Code	Description	Amount
WPS	Workplace Pension (Employ	0.00
WPSEM	Workplace Pension (Employ	0.00

Code Amount 0.00

New Delete Clear Save

This Employment Previous Employment

Pay to Date 4,166.40 0.00

Tax to Date 0.00 0.00

+ Add Note for the Next Payslip

? Help New Delete Clear Save OK

The first thing is to associate the employee with a payroll. Note: an employee can only ever be on one payroll. If you have an employee that's actually on two or more payrolls (very unusual, but it

Adminsoft Accounts Basic User Guide – Payroll

can happen), you would need to create separate employee records, one for each payroll.

In the example above, I've already entered much of the data. The payroll selected is 'Two Week 1'. If following on from the example a few pages back, we'd probably set it to 'Monthly'. If an employee leaves, once they have received their final salary payment, set their '**Payroll**' input field to 'Not on Payroll'. Otherwise they will keep appearing whenever you process the payroll, even though they've left.

The salary, note, is *PER* pay period. So, if some one's basic salary is £12,000/year, it would be set to £1,000. Below that is the hourly rate. If we're paying an employee by the hour, then we wouldn't normally enter anything into '**Salary**', although in theory you could do. There's nothing to say an employee can't have a basic salary, plus an hourly rate (and some employees on a basic salary may get paid for overtime). When processing the payroll, the salary and hourly rates can be edited. Next is the tax code. It will accept any valid tax code, including Scottish codes which are prefixed with an 'S'. It will accept most NI codes, but not all. Currently valid codes are: A, B, C, H, J, M, X, and Z. The '**NI Reference**' must also be entered, but this input field is not validated. Note: the first letter in the '**NI Reference**' is not the NI code. Code 'B' is only allowed if the employee is a women (HMRC rules). '**Week/Month One**' should only be set to 'Y' if HMRC have told you the employee is to be paid on a week/month one basis. '**Accumulate NI**' can be set to 'Y' or 'N', it is used by directors only (HMRC rules), prior to v4.254 this option did not work. If set to 'N'. NI is only calculated on the current pay period (much like calculating tax on a week/month one basis), the same as regular employee. HMRC call this the 'alternative method' if NI calculation. If set to 'Y', then NI is calculated based on the annual allowance, right from the first payslip onwards. So, the directors first payslip may not contain any NI at all. But once their pay exceeds the lower NI bands, they will start paying NI, possibly on the whole amount of their salary. If the director is hired part way through the tax year, or an existing employee becomes a director part way through a tax year, then the annual NI bands will be pro-rata depending on the weeks remaining in the tax year (accumulated NI is always worked out in weeks, regardless of the actual pay period, HMRC rules). If the director is paid regularly, and their pay doesn't tend to vary that much, then '**Accumulate NI**' is probably better set to 'N', so they pay NI as per regular employees. But if their pay varies a lot, and/or they are paid irregularly, then it should be set to 'Y'. if in any doubt, contact HMRC for advice. The input field '**Date employee became a director**', is only available if '**Paid as director**' is set to 'Y'. This should be set to the date the employee was appointed as a director, or the director was employed (if they came straight into the company as a director). If they became a director part way through the tax year, it is this date that will determine how much of the annual NI bands are available for the NI calculations. For example, if the date is half way through the tax year, then the NI bands will be worked out at 50% of the annual NI bands. If this date is left blank, the employee/director start date (as in the start of their employment) or the start of the tax year, will be used, which ever is the later. If a director ceases to become a director part way through the tax year, when '**Paid as director**' is set to 'N', then '**Accumulate NI**' will be automatically set to 'N', and their NI will be calculated in the same way as a regular employee, regardless of how much (or how little) NI they paid while a director.

'**Aggrtd Earnings**' is short for aggregated earnings. If you do have an employee on more than one payroll, this input field should be set to 'Y'. '**P11D Due**' should be set to 'Y' if you have to submit a P11D at the end of the tax year for this employee (this is usually done for employees who receive any Benefit In Kind, such a company car). '**Starting Declartn**' is the starting declaration for new employees. The '**Payment Method**', '**Bank Sort Code**', and '**Bank A/c Number**' are all optional. The '**Payment Method**' is useful when paying individual employees, as the payment will be posted to the Nominal Ledger account as specified by the payment method code.

Next, we have additions/deductions (it's called '**Regular Additions/Subtractions**' on the form).

Adminsoft Accounts Basic User Guide – Payroll

Click the 'New' button to add one to the list, or 'Delete' to remove one from the list. You can edit the amount by singling clicking on the addition/deduction, entering the amount and then clicking 'Save'. These amounts will then be used when processing the payroll, but they can be edited. Note, any additions/deductions that are automatically calculated based on a percentage cannot be edited, either here or when processing the payroll.

If the employee has joined you part way through the tax year, you will need to enter their 'Pay to Date' and 'Tax to Date' from their previous employment. If these are not known, you may wish to set 'Week/Month One' to 'Y' to avoid them receiving a tax refund, please check with HMRC first.

Running the Payroll

Once you've added one or more employees to the payroll, you can then do a payroll run when needed. To process the payroll, click on 'HR/Payroll' on the top menu bar, and select 'Payroll'. We have already been in this option once, the for that will appear will look like this:

Payroll	Freq	Last Year	Last Prd	Last Date	Processed
Monthly Paid	Month				

HMRC PAYE Payment

HMRC N/L Account: 2500 PAVE Tax Liability

Amount Owed: 0.00

Next Pay Period

Tax year:
Period:
Prd end date:

Click the payroll required (there's only one listed here). Then click the 'Next Period' button, and enter the details in the 'Next Pay Period' section. For example, if you're starting the payroll at the beginning of the 2020/21 tax year, and it's on a monthly basis, you would enter 2021 as the 'Tax Year', 1 for the 'Period', and '05/05/2020 as the 'Prd end date'. When working with monthly pay periods, it's usual to end the period on the 5th of each month. But this doesn't have to be the case. Click on the small 'OK' button in that section when you've completed the pay period details. You're now ready to process the payroll. Click on the payroll again, and this time click on the 'Pay Input' button. The following form that appears will look something like this:

Adminsoft Accounts Basic User Guide – Payroll

Pay Input - Employees on Payroll

Payroll: **Test monthly 1**
 Tax year: **2021**
 Period: **4**
 Prd end date: **30/07/2020**

Total gross pay: **0.00**
 Total net pay: **0.00**
 Employees: **3**

Total tax: **0.00**
 Total NI, Employee: **0.00**
 Total NI, Employer: **0.00**

Employee	Tax Code	Basic	Add/Sub	NI	Tax	NetPay
Smith, John						
Samuel, Jock E						
Simmons, Taff						

Buttons: Employee Details, Pay Single Employee, Unprocess Payslip, Pay Input, Help, Send FPS, View N/L Postings, Pay All Employees, Preview Payslips, Print Payslips, OK

In this case, there's three people on the payroll, but there's no practical limit to the number of people that can be on a payroll. You'll notice all the figures at the top are 0.00, and there are no details for the employee (it's also set up for period 4 rather than period 1). We now need to process their pay. You can single click on the employee, and then click the '**Pay Input**' button, or you can double click on the employee. The form that appears will look like the next screen image.

Pay Input - Employee/Payslip Details

Employee Ref.: **JE**
 Employee Name.: **John Smith**
 Payroll.: **Test monthly 1**
 Pay Year: **2021**
 Pay Period.: **4**
 Period End: **30/07/2020**

Buttons: Previous Period, Next Period

Pay Input

Tax Code	Standard	Hourly Rate	Hours
1250L		0.00	0.00
Basic Pay:		0.00	0.00
Hourly Pay:		0.00	0.00
Before Tax:		0.00	0.00
After Tax:		0.00	0.00

Buttons: Create User Notes for this Pay Slip

Additions / Deductions

Code	Description	Amount
SLD1	Student Loan Deducti	-315.00

Amount: **0.00** Buttons: Save, Remove, Add

Notes to Appear on Payslip

Holidays/Absence

Start	End	Days	Type
-------	-----	------	------

Summary

Gross Pay:	4,685.00	Pay - Previous Employment:	0.00
Tax:	832.32	Tax - Previous Employment:	0.00
Employee NI:	415.36	Pay - This Employment:	18,740.00
Employer NI:	545.51	Tax - This Employment:	3,329.27
Net Pay:	3,437.32	Advance Paid This Period:	0.00
Payment Due:	3,437.32		

Buttons: Pay an Advance on Salary

Note: Tax and NI figures are recalculated when ever this form is displayed, unless the payslip has been processed. Also, Previewing or Printing the payslip will save the details. So clicking on Cancel will not abandon any changes if the payslip has been viewed or printed.

Buttons: Help, Change Tax & NI Figures, View Tax & NI Summary, View Prev Month, Preview Payslip, Print Payslip, Save, Cancel, OK

All the tax and NI figures have been worked out. You can edit the '**Basic Pay**', and/or the '**Hourly Rate**' and '**Hours**' and it will automatically re-calculate the tax and NI. You'll notice in the top

Adminsoft Accounts Basic User Guide – Payroll

right hand side we have the '**Additions / Deductions**' section. John Smith normally has a Student Loan deduction, which has been automatically calculated. If there are other deductions or additions (such as a bonus) required, you can click the '**Add**' button to add it to the list (it would only add it for this payslip), then select it and enter the amount into the '**Amount**' input field, then click the small '**Save**' button when done. If the item is a deduction, you will need to enter a negative figure. If you don't want a particular addition/deduction, click on it, and click the '**Remove**' button. If you want to edit the amount, click on it, edit the '**Amount**' input field, then click the small '**Save**' button when done.

The button '**Create User Notes for this Pay Slip**' allows you to enter notes that will NOT get printed on the payslip. The section '**Notes to Appear on the Payslip**' will, as it suggests, allow you to enter notes that will get printed on the payslip (usually just beneath it). The '**Pay an Advance on Salary**' button allows you to enter an amount that you have loaned to the employee. It will then be taken back in this pay run. You can enter more than one advance if you wish. So, it might be, in order to handle loans advanced to an employee, you may need to bring the payroll to this point so you can enter them each time money is lent. You can bring the payroll to this point, as you can go back into this payslip record and edit it as many times as you wish. Until an employee is paid their salary.

The '**Change Tax & NI Figures**' allows you to edit the tax and NI amounts that have been calculated. This is very rarely required, and great care must be taken because as soon as you do anything else to the employee's payslip, the tax and NI will be recalculated.

The '**View Tax & NI Summary**' will provide a break down showing you how the software arrived at the tax and NI amounts.

'**View Prev Month**' will display the previous month's payslip, if there is one.

'**Preview Payslip**' will display the payslip that would be printed on the screen.

'**Print Payslip**' does exactly that. Note, you can preview and print payslips as many times as you wish, even after the payroll has finished processing for this pay period.

'**Save**' will save the current payslip details. '**Cancel**' allows you to exit the form without saving the details. '**OK**' will save the details and then exit.

So, when you're happy the employee's pay details are correct, click the '**OK**' button. The 'Pay Input' form will now look something like this:

Adminsoft Accounts Basic User Guide – Payroll

Pay Input - Employees on Payroll

Payroll: **Test monthly 1**
Tax year: **2021**
Period: **4**
Prd end date: **30/07/2020**

Total gross pay: **15,783.99**
Total net pay: **10,261.14**
Employees: **3**

Total tax: **4,242.19**
Total NI, Employee: **1,280.66**
Total NI, Employer: **1,875.13**

Employee	Tax Code	Basic	Add/Sub	NI	Tax	NetPay
Smith, John	1250L	5,000.00	-315.00	415.36	832.32	3,437.32
Samuel, Jock E	S1250L	5,100.00	-1.01	423.64	1,135.89	3,539.46
Simmons, Taff	C1000L	6,000.00	0.00	441.66	2,273.98	3,284.36

Buttons: Help, Send FPS, View N/L Postings, Employee Details, Pay Single Employee, Pay All Employees, Unprocess Payslip, Preview Payslips, Pay Input, Print Payslips, OK

You'll see we now have figures for tax and NI, and for John Smith himself, and a couple of other employees.

If any changes need to be made, you can select an employee and click the '**Pay Input**' button, and edit their pay details as necessary. Some details, like their name and tax code are drawn from the employees record when this payslip information is created. If they need to be changed, or you think you've got into a bit of a mess with the pay, select the employee and click the '**Unprocess Payslip**' button. That will clear the employees pay, allowing you to start again. You cannot do this though once the employee has been paid. Although, provided an FPS hasn't been sent (and the payroll hasn't been advanced to the net period) you can click the '**Undo All Payments**' button. This appears instead of the '**Pay All Employees**' button, when all employees have been paid.

Although individual employees can be paid, by clicking on the employee and then clicking the '**Pay Single Employee**' button, normally all employees would be paid at the same time by clicking the '**Pay All Employees**' button. This is the next step, because the payslips will show the date of payment, but that date isn't known until the employee has been paid. The same applies to RTI, in fact, the FPS submission will not succeed without a payment date.

Clicking '**Pay All Employees**' will change the screen, as per this screen shot:

Adminsoft Accounts Basic User Guide – Payroll

Pay Input - Employees on Payroll

Payroll: Test monthly 1
Tax year: 2021
Period: 4
Prd end date: 30/07/2020

Total gross pay: 15,783.99
Total net pay: 10,261.14
Employees: 3

Total tax: 4,242.19
Total NI, Employee: 1,280.66
Total NI, Employer: 1,875.13

Employee	Tax Code	Basic	Add/Sub	NI	Tax	NetPay
Smith, John	1250L	5,000.00	-315.00	415.36	832.32	3,437.32
Samuel, Jock E	S1250L	5,100.00	-1.01	423.64	1,135.89	3,539.46
Simmons, Taff	C1000L	6,000.00	0.00	441.66	2,273.98	3,284.36

Pay All Employees

Payment Date: 30/07/2020 Thursday
Payment Method: BACS
Total Due: 10,261.14

Run Report
View (text)
Cancel
OK

Employee Details
Pay Single Employee
Unprocess Payslip
Pay Input
View N/L Postings
Pay All Employees
Preview Payslips
Print Payslips
Send FPS
Help
OK

The '**Payment Date**' should be the date your employees will actually receive the payment. So, for example, if you're paying by BACS or some other method of bank transfer, it should be the date you expect the money to be in your employee's bank accounts, and not the date you send it.

The '**Run Report**' option will print a list of employees and how much money is due to be paid to each of them, along with their bank details. Click the '**OK**' button (in the '**Pay All Employees**' section of the form) when done. It doesn't actually pay your employees, of course, but all necessary postings will be made into the Nominal Ledger in anticipation of the payment being made. You can view the postings made by clicking the '**View N/L Postings**' button.

The next, and final step is to use RTI to send the FPS required by HMRC. An FPS can only be sent for the whole payroll, it cannot be sent for individual employees (unless there's only one employee on a payroll). **The FPS should be sent before or on the day the employees have been paid.** So do not make the actual payments to your employees and then run the FPS sometime later, as HMRC may reject your FPS, which will be a problem. The FPS must be run no later than the '**Payment Date**' you entered into the software. The FPS needs to know when the employees are to be paid, so you need to enter the payment information (usually using the '**Pay All Employees**' button) before sending the FPS.

Click the '**Send FPS**' button. A new form will appear, looking something like the next screen image:

Adminsoft Accounts Basic User Guide – Payroll

Payroll - Real Time Information: Send Full Payment Submission (FPS)

Payroll: **Test monthly 1** Period: **2021/4**

Employee Problem

Is this the final submission for the tax year? N (Y/N)

Reason for late submission of FPS?

Is this the final submission ever? N (Y/N)

Date business ceased trading

Lists any issues found with your data. Submission to HMRC is likely to be rejected if there are any problems listed here. Single left click to view employee details.

TEST ONLY

Check Data Send FPS

Help Close

Note, this form says '**TEST ONLY**' because of course, I'm running it in test mode. I don't want to run it for real.

Before attempting to make an FPS, you first have to check the data, So, click the '**Check Data**' button. If there are any problems, they will be listed. The software might list some things that it thinks you should be aware of, but if they are not serious, it will enable the '**Send FPS**' button.

When you click the '**Send FPS**' button, it will start the FPS straight away:

Payroll - Send RTI Document to HMRC (TESTING ONLY)

Process Message from Government Gateway XML Document Error Messages

Date Time Process

17/03/17 10:46:28 This is a TEST only.

17/03/17 10:46:28 Setting up communications.

17/03/17 10:46:28 Sending XML Document HMRC-PAYE-RTI-FPS-TIL for Two Week 1 p

17/03/17 10:46:29 OK 200 XML Document sent.

17/03/17 10:46:29 Asked to wait 10 secs for response from Government Gateway.

Processing...

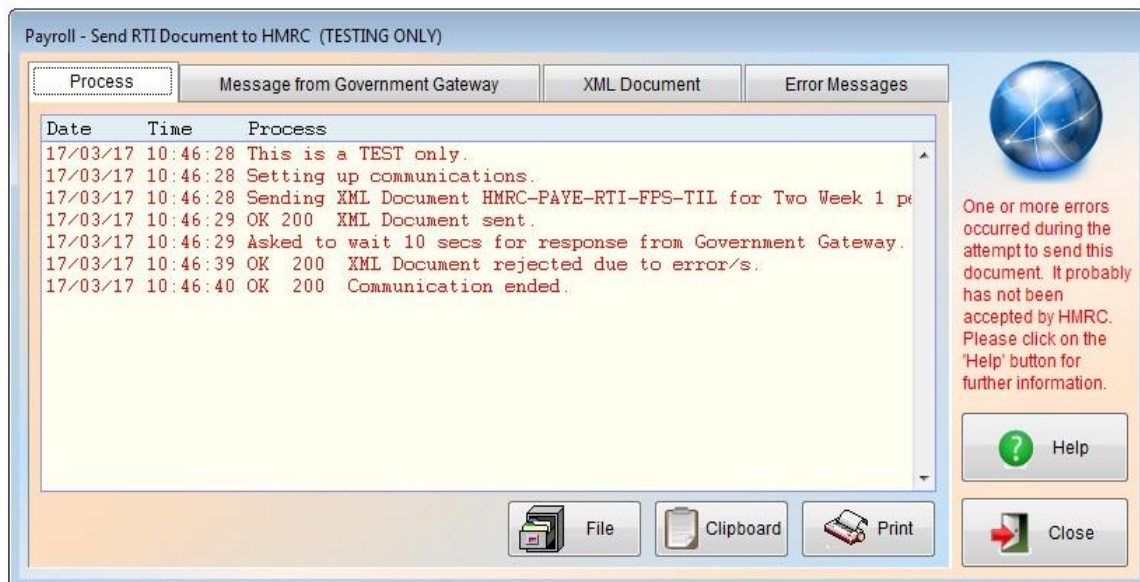
Help

File Clipboard Print Close

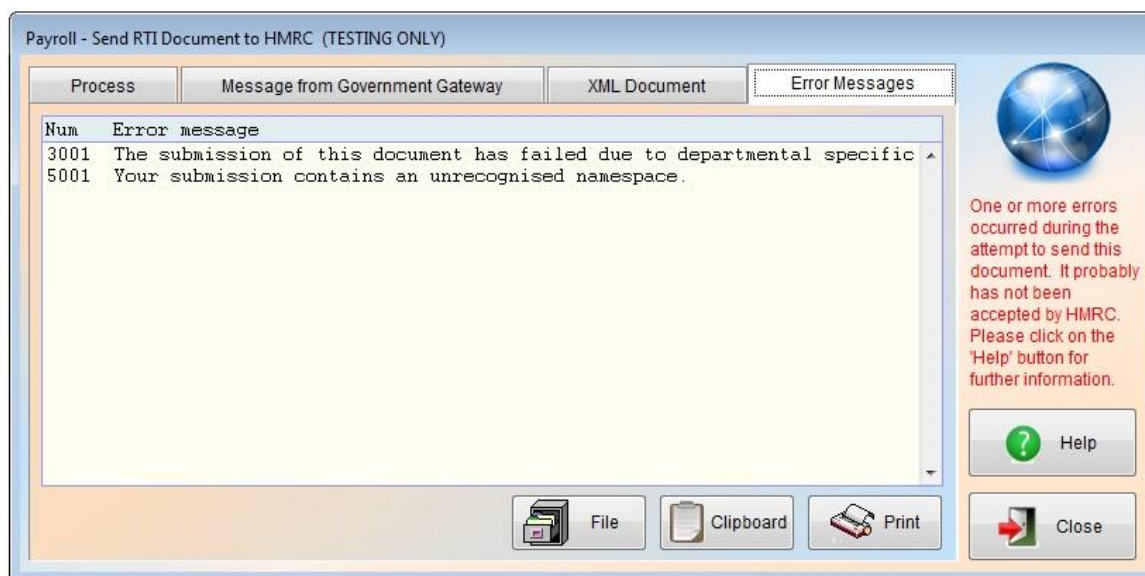
This is what it will look like when it starts the communication with HMRC's server. The payroll data is put into an XML document, and this XML document is sent to HMRC. After it's sent,

Adminsoft Accounts Basic User Guide – Payroll

HMRC's server almost always requests a 10 second delay while it processes the data. Sometimes if their server is busy it can request a 10 second delay several times. Note, the text showing the status of the communication is green. This is good. It means no errors have been received or detected. If there are any errors, there will be an error message in the status text, and it will turn red. So, without reading the text, you'll see at a glance that something is wrong. As below:



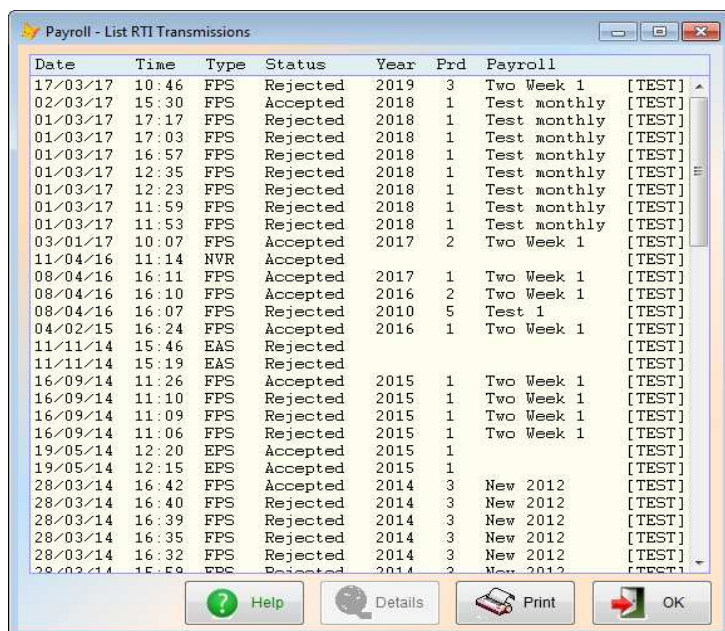
As you can see, it's obvious there's been a problem, and the FPS document has been rejected by HMRC. This is not good, because HMRC are not very good at saying why it was rejected. The error messages they send back are often rather cryptic. The first thing to do is to click on the '**Error Messages**' tab. You will get something like the next image:



As you can see. The error messages sent back by HMRC in this instance are not very helpful. They return information in the form of another XML document, which you can view by clicking the '**Message from Government Gateway**' tab. But this will make even less sense. The '**XML Document**' tab will show the actual XML document containing the payroll data that was sent to HMRC. Sometimes, the messages will make some sense, and by looking through the XML document, you can see what's gone wrong. If not, you'll have to contact technical support: support@adminsoftware.biz

Adminsoft Accounts Basic User Guide – Payroll

A useful feature here is that all the information displayed in this form can be copied onto your Windows clipboard using the '**Clipboard**' buttons and pasted (Ctrl-V) into an email (please do this when seeking technical support, as it's very helpful). Using the '**File**' button you can save it to an ASCII text file. However, saving this information is not important, because it's always saved for you automatically anyway. You can view all RTI submissions at any time, whether they were successful or not. To do this, click on 'HR/Payroll' on the top menu bar, and in the 'Payroll Reports' section, select 'HMRC RTI List Submissions'. A form will appear listing all RTI submission, example below:



Date	Time	Type	Status	Year	Prd	Payroll
17/03/17	10:46	FPS	Rejected	2019	3	Two Week 1 [TEST]
02/03/17	15:30	FPS	Accepted	2018	1	Test monthly [TEST]
01/03/17	17:17	FPS	Rejected	2018	1	Test monthly [TEST]
01/03/17	17:03	FPS	Rejected	2018	1	Test monthly [TEST]
01/03/17	16:57	FPS	Rejected	2018	1	Test monthly [TEST]
01/03/17	12:35	FPS	Rejected	2018	1	Test monthly [TEST]
01/03/17	12:23	FPS	Rejected	2018	1	Test monthly [TEST]
01/03/17	11:59	FPS	Rejected	2018	1	Test monthly [TEST]
01/03/17	11:53	FPS	Rejected	2018	1	Test monthly [TEST]
03/01/17	10:07	FPS	Accepted	2017	2	Two Week 1 [TEST]
11/04/16	11:14	NVR	Accepted			[TEST]
08/04/16	16:11	FPS	Accepted	2017	1	Two Week 1 [TEST]
08/04/16	16:10	FPS	Accepted	2016	2	Two Week 1 [TEST]
08/04/16	16:07	FPS	Rejected	2010	5	Test 1 [TEST]
04/02/15	16:24	FPS	Accepted	2016	1	Two Week 1 [TEST]
11/11/14	15:46	EAS	Rejected			[TEST]
11/11/14	15:19	EAS	Rejected			[TEST]
16/09/14	11:26	FPS	Accepted	2015	1	Two Week 1 [TEST]
16/09/14	11:10	FPS	Rejected	2015	1	Two Week 1 [TEST]
16/09/14	11:09	FPS	Rejected	2015	1	Two Week 1 [TEST]
16/09/14	11:06	FPS	Rejected	2015	1	Two Week 1 [TEST]
19/05/14	12:20	EPS	Accepted	2015	1	[TEST]
19/05/14	12:15	EPS	Accepted	2015	1	[TEST]
28/03/14	16:42	FPS	Accepted	2014	3	New 2012 [TEST]
28/03/14	16:40	FPS	Rejected	2014	3	New 2012 [TEST]
28/03/14	16:39	FPS	Rejected	2014	3	New 2012 [TEST]
28/03/14	16:35	FPS	Rejected	2014	3	New 2012 [TEST]
28/03/14	16:32	FPS	Rejected	2014	3	New 2012 [TEST]
28/03/14	15:59	FPS	Rejected	2014	3	New 2012 [TEST]

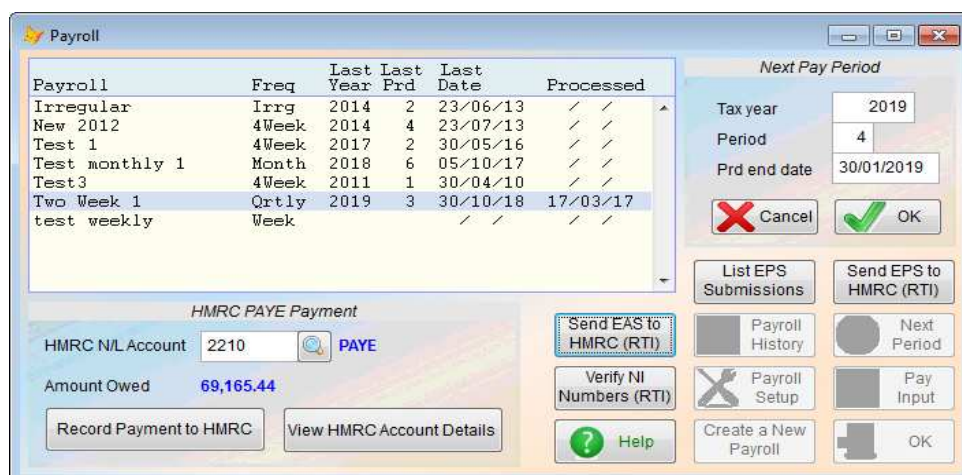
Just click on any line, and then click the '**Details**' button to see the full RTI submission form. Don't take too much notice of what's actually listed in the example form above. It's full of old test data, so looks rather more haphazard than it would do in a real working accounts system. Most of the submissions have been rejected for a start!

So, getting back to the sending of an FPS, fortunately most of the time making an FPS is successful, and so the status text stays green! Click on the '**Close**' button to close the form (all the data will be saved). You will be put back in the FPS form, so you'll need to click on the

'**Close**' button in there too. This leaves you in the 'Pay Input' form (the one that lists each employee in the payroll). If you have not already done so, you may want to print the payslip/s. Although this can be done at any time. Click the '**OK**' button when you're done.

You now should have just one form open, this is the main 'Payroll' form that lists each payroll you have set up (there may be just one). As processing for the payroll is now complete, you have the choice of bringing it forward into the next pay period, ready for the next payroll run, or you can click the '**OK**' button, which will exit the form.

Either way, to bring the payroll forward into the next pay period, click on the payroll, and then click the '**Next Period**' button. The input fields in the top righthand corner of the form will be enable for input. It'll look something like this:



Payroll	Freq	Last Year	Last Prd	Last Date	Processed
Irregular	Irrg	2014	2	23/06/13	✓
New 2012	4Week	2014	4	23/07/13	✓
Test 1	4Week	2017	2	30/05/16	✓
Test monthly 1	Month	2018	6	05/10/17	✓
Test3	4Week	2011	1	30/04/10	✓
Two Week 1	Qrtly	2019	3	30/10/18	17/03/17
test weekly	Week			✓	✓

Next Pay Period

Tax year: 2019
Period: 4
Prd end date: 30/01/2019

Adminsoft Accounts Basic User Guide – Payroll

The instructions are much the same as when you ran the payroll for the first time. Except this time, the input fields will be automatically showing the correct information for the next pay period. All you need to do is check that it's OK (just in case....) and click the small **'OK'** button. The payroll is then ready for the next pay run.

In the above form, if you want to look at previous pay runs, click on the payroll, and then click the **'Payroll History'** button. Also, all the RTI functions are in this form. EAS is probably rarely used now, but is here because HMRC are still supporting it (it is no longer in Adminsoft Accounts as from v4.170). It was used when a business/organization first used RTI, but I think all business/organizations are now using RTI. The **'Verify NI Numbers (RTI)'** is self evident, but, it does not provide an immediate result, instead HMRC will post you the verification you're requesting. EPS is often used where no FPS can be sent (perhaps no employees got paid). Once you're registered for RTI, you have to keep sending HMRC something, even if there's nothing to actually send them! That's where EPS comes in. Though EPS can also be used in other circumstances, please read up on exactly what HMRC expects of you with RTI on their web site.

Although employees have been paid, and FPS sent to HMRC, we're not quite finished. You will probably owe some tax and NI to HMRC. The amount due will be accruing the Nominal Ledger PAYE liability account. The balance of this account is displayed in the **'HMRC PAYE Payment'** section. In the example form above, you can see it stands at £69,165.44. Rather a substantial sum. In the test data used for these examples, HMRC haven't been paid in a while.....

When the payment is due, or has actually been made, click the **'Record Payment to HMRC'** button. A small section will appear in the middle of the form titled **'Pay HMRC Collected Tax & NI'**. In there you would enter the payment details, and click the **'Record Payment'** button. Normally, you would clear the account balance down to 0.00. However, many businesses/organizations are entitled to an NI Employment Allowance. In the tax year 2020/21 this is up to £4,000, and is based on employer NI contributions. You can claim this allowance over several months if you do not have £4,000 worth of employer NI contributions in one month. So, you may want to pay HMRC less an amount for this allowance. You can leave that balance in the PAYE liability account. But it may be better to make a posting between the PAYE liability account and an account you would need to create, perhaps called 'NI Employment Allowance Claimed' or similar. To claim this allowance, you **MUST** send an EPS, but it only needs to be sent once, at the start of the tax year (preferably before you send your first FPS of the new tax year).

That, basically, is it.

Tax Year End

At the end of the tax year, there is no form filling for HMRC like there used to be (except for things like P11D). As they already have all the information thanks to RTI. But you will need to print P60's for your employees. The option to do this is in the 'Payroll Reports' section of the 'HR/Payroll' menu, called 'HMRC Tax Year End P60'. When you select this option, a form will appear looking something like this:

Adminsoft Accounts Basic User Guide – Payroll

Payroll	Freq	Last Year	Last Prd	Last Date	Processed	P60	Printed
International 1	Month	2017	2	20/06/17	11/05/17	/	/
Irregular	Irrg	2020	8	30/05/19	/	/	/
New 2012	4Week	2014	4	23/07/13	/	/	/
Test 1	4Week	2017	2	30/05/16	/	/	/
Test monthly 1	Month	2021	4	30/07/20	30/07/20	18/07/20	
Test3	4Week	2011	1	30/04/10	/	/	/
Two Week 1	Qrtly	2019	4	30/01/19	/	/	/
test weekly	Week	2018	9	08/06/17	31/10/17	/	/

Tax year for the P60's. Check, and edit it if it's not correct.

Buttons on the right: Send P60's to printer, Send P60's to emails, Send P60's to PDF files, Preview the PDF files (checked), Tax year: 2020, Run as a test only (unchecked), Help, Exit.

Note: prior to Adminsoft Accounts v4.214 the P60 option was just a report, you then had to manually write the information onto P60 forms supplied by HMRC. Now, this option actually produces the P60 forms ready to distribute to your employees. These forms have been approved by HMRC.

All the payrolls you have setup are listed, along with some basic details. If you have several payrolls, you would produce P60s for one payroll at a time. If you click on a payroll to select it, the buttons down the righthand side are enabled. The '**Tax year**' will default to the last tax year, as you wouldn't normally be producing P6's for the current tax year. But you can edit the tax if necessary. When P60s are produced, a diary entry is automatically generated in the diary of each employee, and the date the P60s were printed is recorded in the payroll details. If you select the '**Run as a test only**' option, no information will be recorded when you run the P60s, but the P60s themselves will say 'TEST' all over them. You can run the P60s as often as you wish, but HMRC only expects them to be run once.

'**Send P60s to the printer**' will mediatly start printing P60s on your Windows default printer. If you need them to go to a specific printer, you will need to set it up as your default printer in Windows before printing from this option. There will be one P60 per page.

'**Send P60s to emails**' will create an email for each employee with their P60 attached as a PDF file. It will first ask you to enter some text that will then be used in each email. There are options that allow you to use the employees name in each email. The employees email address is drawn from the employee details (it uses their 'work' email address). An email form for each employee will appear, and you just need to go through them, add/edit any text if necessary and click 'Send' on each one. This option is really useful if you don't have a lot of employees. Though if have 20 or more, you may find it's a bit of a handful having to deal with 20+ email forms. Note: this option will only work if Adminsoft Accounts internal email system is being used (email system types CDO or Chilkat), or Outlook (internal) is being used. HMRC are quite happy for P60s to be distributed to employees in digital form. They no longer have to be physically printed.

'**Send P60s to PDF files**' will create a file for each employee. The file names will be created automatically, but it will ask you to locate a folder to put them in. Each file name will start with 'P60' followed by the tax year, followed by the employee's unique reference (usually their initials). If you select the '**Preview the PDF files**' option below this button, it will display the details of each file created.

As far as the software is concerned, it doesn't matter when you print P60s, provided it's after the last FPS for the tax year. So, you can do it before you bring the payroll to the start of the next year, or after. The software will allow you to print them at any time.

Adminsoft Accounts Basic User Guide – Payroll

Below is an example of a P60 created from this option:

P60 End of Year Certificate

Tax year to 5 April 2021

To the employee

Please keep this certificate in a safe place as you will need it if you have to fill in a tax return. You also need it to make a claim for tax credits and Universal Credit or to renew your claim.

It also helps you check that your employer is using the correct National Insurance number and deducting the right rate of National Insurance contributions.

By law you are required to tell HM Revenue and Customs about any income that is not fully taxed, even if you are not sent a tax return.

HM Revenue and Customs

Employee's details

Surname	NewPerson
Forenames or initials	David, Two
National Insurance number	SA238714A
Works/payroll number	NEW2

Pay and Income Tax details

	Pay	Tax deducted
In previous employment(s)	0.00	0.00
In this employment *	4,500.00	648.80
Total for year	4,500.00	648.80
Final tax code	543L	

The figures marked * should be used for your tax return, if you get one.

National Insurance contributions in this employment

NIC table letter	Earnings at the Lower Earnings Limit (LEL) (where earnings are equal to or exceed the LEL)	Earnings above the LEL, up to and including the Primary Threshold (PT)	Earnings above the PT, up to and including the Upper Earnings Limit (UEL)	Employee's contributions due on all earnings above the PT
A	0	0	0	0.00

Statutory payments included in the pay 'In this employment' figure above

Statutory Maternity Pay	0.00	Statutory Paternity Pay	0.00	Statutory Shared Parental Pay	0.00
Statutory Adoption Pay	0.00	Statutory Parental Bereavement Pay	0.00		

Other details

Student Loan deductions in this employment (whole £'s only)	0
Postgraduate Loan deductions in this employment (whole £'s only)	0

To employee

David Two NewPerson
dedwdw
dwedwedw

Your employer's full name and address (including post code)

Testing Services Worldwide
100 Little Street
Some Little Town
Large County
AB12 3CD

Employer PAYE reference 999/999999

Certificate by Employer/Paying Office:

This form shows your total pay for Income Tax purposes in this employment for the year.

Any overtime, bonus, commission etc, Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay, Statutory Shared Parental Pay, Statutory Parental Bereavement Pay or Statutory Adoption Pay is included.

Adminsoft Accounts Basic User Guide – Payroll

What to do when an employee leaves

In the employee details enter the date of their last day of employment into the '**Date Finished**' input field. Then run the payroll. If the employee is leaving part way through the pay period, you may process and pay their payslip, and print it out. Either way, when a P45 is required, if you go back into the employee details, there will now be a button '**Print P45**'. This will immediately print a P45 on your Windows default printer. So, if you needed to use a different printer, you will need to change your Windows default printer before clicking '**Print P45**'. It will output three pages, all of which need handing to your employee. Unlike P60s, P45s cannot be in digital form, they must be physically printed (not due to a limitation in the software, it's the law). Also, although Adminsoft Accounts will allow you to print as many as you like, you are only supposed to print one. They can be printed at any time, up to about six months after the employee has left, then the button is no longer available. Versions of Adminsoft Accounts prior to v4.214 did not have an option to print P45s.

The P45s produced are to HMRC specifications, and should be accepted by the employee's next employer.

The next and final step is to remove the employee from the payroll. In the employee details, select the 'Pay Details' tab, and set the 'Payroll' input selection to 'Not on payroll'.

There is no longer any need to inform HMRC that an employee has left, as this information will already have been passed to them in the FPS.

Vehicles

There are facilities to maintain a record of employee vehicles and mileage. This option is discussed in detail towards the end of this payroll document. An FPS can contain details of the employees vehicles for P11d purposes. So, if company vehicles are in use, you may need to use this option.

VERY IMPORTANT: Please be aware it is YOUR responsibility to ensure the salaries and all deductions and associated taxes are calculated, printed and stored correctly. Neither Adminsoft Ltd. or any of it's representatives or affiliates can accept any responsibility whatsoever, whether they were alerted to a problem or potential problem or not.

Adminsoft Accounts Basic User Guide – Payroll

Using the United Kingdom Payroll Outside of the United Kingdom

To know how to adapt the United Kingdom payroll for your country (instead of the International Payroll which is discussed further along in this guide), or even whether it can be adapted, you need to know a little about how payroll works in the United Kingdom. The details above and below will include references to RTI, which is the UK's method for sending payroll data over the internet to the UK tax authority (HMRC). If you select the United Kingdom payroll, and you're not based in the United Kingdom, the options for RTI should not appear in your system.

The first hurdle you may face is that the UK tax year runs from 6th April to 5th April the following year. The payroll is geared to this tax year, and I'm afraid it's not possible to change it. Pay periods and tax calculations will all be based around this tax year.

Employees in the UK are generally taxed twice: Income Tax (often just referred to as 'tax'), and the other is National Insurance (usually just called 'NI'). Tax is the simpler of the two.

Income Tax

In England there are currently three tax bands: 20%, 40% and 45%. Employees are also each given a certain amount they can earn tax free. They are given a tax code so the payroll knows how much 'free pay' they can earn before they start paying tax. The code starts with a number, and to get the free pay amount, you just multiply that number by 10. So, for example, a tax code of 900L would allow the employee to earn up to £9,000 in one tax year before paying tax. The current tax bands and rates (as of tax year 2017/18) are:

Start of Band	Tax Rate
0.00	20.00%
33,501.00	40.00%
150,001.00	45.00%

So, if an employee with a tax code of 900L was lucky enough to earn £46,000 in the tax year, they would pay no tax on the first £9,000, then 20% on the next £33,501, and 40% on the remaining £3,499. As per the table below:

Earnings	Tax rate	Tax Paid
9,000.00	0%	0.00
33,501.00	20%	6,700.02
3,499.00	40%	1,399.60
-----		-----
46,000.00		8,099.62

As you can see, they would pay £8,099.62 in tax. This is worked out over the year, so the tax free amount and the tax bands are broken down by the number of pay periods in the tax year. If you're paying monthly, they'd be divided by 12. Previous pay periods are taken into account, to try and smooth out the tax paid. Unless the employee is paying tax on a week/month one basis. Then only their pay for that pay period is taken into account.

England, Scotland and Wales can have different tax bands. In order for the system to know which is

Adminsoft Accounts Basic User Guide – Payroll

to be used, tax codes for Scotland always begin with the letter 'S', and tax codes for Wales begin with the letter 'C' (for Cymru, the Welsh name for Wales).

The letter that follows the number in a tax code can vary. Each means something different, but they are of no interest here as they do not affect the tax calculation. So just use the letter 'L'. You can probably use this system to tax your employees. If the 'free pay' your employees receive varies, that's not a problem, if they're all the same, you can just give them all the same tax code.

There are other tax codes that may be of interest: 'BR', 'D0', and 'D1' will tax the employee at a given rate, whatever rate you set up in the 'Payroll Tax and NI' setup option. So, these codes do not use tax bands, and there is no free pay. In the setup option, you'll notice a 'K' tax code, this is a special code that doesn't just reduce free pay, it effectively makes it negative. Best thing is to just ignore the K code.

In the UK, when an employee earns over £100,000 in the tax year, they start to lose their free pay. As such high earners are unlikely to be using Adminsoft Accounts, this facility is NOT supported. So, tax will be calculated exactly as per the tax table.

National Insurance

This is more complicated than tax in that there are more bands and rates, and there's an employer contribution rate. Each employee is given an NI letter. The letter 'A' is the most common. You'll see in the 'Payroll Tax and NI' setup option just how complicated it is. Unlike tax, NI is always calculated on each individual pay period (there are exceptions, but we'll ignore those here).

The NI letter tells the software what rate % to charge. This rate is calculated on the employee's whole taxable pay. There is no 'free pay' allowance as such, but there is a lower limit of earnings (which is the same for all employees) below which NI is not calculated. Although if you want to use the NI system in your country, there's no reason why you couldn't start at 0.00 if you wished (ie. NI would be calculated on all the employee's pay). Anyway, you'll see in the 'Payroll Tax and NI' setup option that the NI table is broken into three parts. The first two columns show the pay band at which the particular NI rate will be calculated, one for weekly paid and one for monthly paid. If the payroll is run fortnightly, or quarterly, or whatever, the bands will be automatically adjusted accordingly. The next section sets out the rate % which will be applied to the employee's pay in that band. The final section sets out the rate % which will be applied to the employee's pay in that band, but charged to the employer. In other words, the employee does not contribute any of their pay in the last section, it is money the employer has to effectively add to the employee's salary and pay to the UK tax authority (HMRC).

For the purpose of you converting the payroll to operate in your country, the easiest thing is just to enter 0.00 in each input field that is connected with NI (which is the whole top half of the 'Payroll Tax and NI' setup option). As it's unlikely you will operate a similar system in your country.

If you need to operate something like NI, but the way UK NI is calculated is not suitable, you may be able to do it through the Additions/Deductions system. It is possible to set up codes, both employee deduction and employer contribution, that are calculated on a percentage of the employee's taxable pay. Or, they can be set up as fixed amounts, and then you manually do the calculation when running the payroll.

Adminsoft Accounts Basic User Guide – Payroll

Other Stuff You Should Know

In the UK, when you employ someone, as well as their details you also have to record their partners details (if they have one). This can include their partners name and 'NI reference' (this is not their NI letter, but a unique code provided by HMRC to each adult in the country). These input fields can be ignored.

The terminology used in the payroll is of course very much geared towards the United Kingdom. The main terms are listed here:

HMRC – The UK's tax authority, Her Majesties Revenue and Customs.

PAYE – Pay As You Earn, is HMRC's rules/process for handling employee payroll taxation.

RTI – Real Time Information, this is a system created by HMRC that allows employees to digitally send their payroll data directly to HMRC each time they run the payroll. You should ignore anything connected with RTI.

FPS – Full Payment Submission, is part of the RTI system, so ignore.

EAS – Employer Alignment Submission (no longer used), is part of the RTI system, so ignore.

EPS – Employer Payment Summary, is part of the RTI system, so ignore.

Verify NI numbers (RTI) – is an option in the 'Payroll' option. This is part of the RTI system, so ignore.

P11D – is a form that has to be submitted to HMRC for each employee at the end of each tax year. It's Benefits in Kind (often shortened to BIK), which includes things like company cars.

P60 – is a report that has to be run at the end of every tax year. It provides a summary of tax and NI paid by each employee, and this summary must be handed to each employee. Their own details, obviously, not whole summery!

There is an option that allows you to change some very basic terms. Click on 'Setup' on the top menu bar, go down to 'HR/Payroll' and select 'Payroll Settings'. In there you can edit 'PAYE', 'HMRC' and 'NI'. Not much, I'm afraid, but it's something.

Hopefully, this has provided you with sufficient information to know whether you can adapt the payroll to operate in your country or not. If you do successfully adapt the payroll for your use, please do email the details to us, so that we can share the information on our web site. It is likely though, that you will be better off adapting the International version of the payroll, discussed next.

International Payroll

Setting Up

If you're not based in the United Kingdom, then you will probably want to select this payroll. It is flexible, but fairly basic. The problem, of course, is that payroll requirements vary a lot from country to country. It would be impossibly expensive for us to develop a payroll that would work in every country. You may be able to configure this payroll to work in your country, if the requirements are modest.

By far the easiest time to start operating the payroll is the start of a tax year. If you want to start part way through a tax year, the only way to do it is to backdate to the first pay period, and run the payroll for each period until you have caught up to the current period. The problem with this is you need to be very careful that figures produced for each period exactly match those produced by your old payroll.

First thing is to make sure your payroll module is actually available. By default, when creating a new company/organization the payroll module will be disabled. When setting up your company/organization during installation, you need to enable it. But don't worry if you miss it, because you can always go back and enable it. To do this, when the accounts system starts up, single left click on your company/organization, and then click the 'Comp./Org. Details' button. The following form will appear:

Adminsoft Accounting Suite (Freeware Version) v4.161 - User: FIRST

Code: DEMOCOMP (alphanumeric, to identify this set of ledgers)

Name: Demo Company Pty Ltd.

Address: 123 Demo Street
Demo Town

Tel:
Fax:
Web:
Country: South Africa
Add new country to the list

Sales Tax or VAT Registration No.: 65457575

Company/Organization Reg. No.: 75765676678686

Email Addr. for Account Queries: accounts@democompany.co.za

Email Addr. for Sales Enquiries: sales@democompany.co.za

Alternative location for data:
Alternative location for backups:
Browse
Browse

If your country is not in the list, click this button to add it.

Additional program modules required:

☐ Payroll (United Kingdom)

☒ Payroll

☐ AutoManager

☐ Shop/Cafe Manager

If a new set of ledgers is being created for your company / organization, before entering any transactions it is VITAL that you thoroughly check that it is set up correctly.

Most of these company/organization details can be changed at any time. So if you are unsure of anything, you can leave it and come back to it later. In any case all input fields (except Code, Name, and County) are optional.

The ledger base currency is automatically selected based on the country (as setup on the left). The country CAN NOT be changed once setup.

☒ Registered for Sales Tax or VAT?

Help
Install Guide
Notes
Delete
Copy From
Cancel
OK

You'll see the option for 'Payroll (United Kingdom)' at the top of the form, right of centre. Ignore

Adminsoft Accounts Basic User Guide – Payroll

that one, the one we're interested in is just beneath it, simply called '**Payroll**'. Make sure it's ticked, click it if not.

Next, you need to make sure all the employee additions and deductions that you might need are available, and set up correctly. Though these can be changed at any time, so you can always go back and edit or add something. We do not recommend you delete any additions or subtractions, in case they have already been used in the payroll. To check/edit these, when you are working in the company/organization, click on 'Setup' on the top menu bar, go down to 'HR/Payroll', and select 'Payroll Additions/Deductions'. A form will appear that will look something like this:

Code	Description	Default Amount	LowerBand	UpperBand	Account	Type
BONUS	Bonus	0.00				Addition
CCFO	Company Car Fuel, Own Use	0.00				Deduction
COM	Sales Commission	0.00				Addition
EXP	Company Expenses	0.00				Addition
PCMA	Private Car Mileage	0.00				Addition
PEN	Pension Contribution	0.00				Deduction
SLD	Student Loan Deduction	0.00				Deduction

You can see that most additions and deductions that you're likely to need are already set up for you. The '**Code**' on the left hand side is the code that will be used in the employee's pay details to identify the addition/deduction. The '**Default Amount**' is often set to 0.00, this is because you'll want to enter the exact amount when processing the payroll. Note some additions/deductions are percentage based, and so are automatically calculated. Any percentage will be shown in the '**Default Amount**' column. The '**Account**' column is the General Ledger account. Most additions/deductions do not require a specific General Account, but some do (more on this later). The '**LowerBand**' and '**UpperBand**' columns are only used where the addition/deduction is a percentage, they may 0.00. The '**Type**' column shows where the line is for: Addition, Deduction, or Contribution. 'Contribution' is a third type, and is used when the employer is making a contribution on behalf of the employee (ie. It doesn't affect the employees pay, although may be based on a percentage of it).

The additions and deductions that have been automatically created for you cannot be deleted. Some of them, such as 'PEN' could be associated with their own General Ledger account. This a control account, that can be used to monitor the liability for that particular deduction. If no account is specified, then the tax liability account is used.

You could possibly create deductions to handle the deduction of income/withholding tax, but there is a separate section that allows you to set up tax rates. But there are often other deductions

Adminsoft Accounts Basic User Guide – Payroll

required besides income tax, that you may be able to set up here. For example, in South Africa there is a 1% deduction that goes toward the Unemployment Insurance Fund. This deduction is capped at 148.72 per month. So, you could set up a deduction for this, with a rate of 1%, and an **'Upper Band'** of 178,464 (ie. $148.72 \times 12 \times 100$). The employer must also contribute 1%, so you would set up an **'Employer Contribution'** with the same rate and band. Then there's a 1% Skills Development Levy which is paid by the employer, and so another **'Employer Contribution'** could be set up to handle that.

It's worth clicking the **'Help'** button in this form, as it gives a fair amount of information on exactly how to create new codes, and edit existing ones.

Next job is to set up the income/withholding tax rates and bands. Click on 'Setup' on the top menu bar, go down to 'HR/Payroll' and select 'Payroll Tax Band Rates'. A small form should appear listing the tax years for which tax is already set up (though there'll be no actual tax rates/bands). See the image on the left:

If the tax year you require isn't listed, you'll have to click the **'New Year'** button, you'll then be able to type in the year, and click **'OK'**. As the tax year you need is probably listed, just click on it, and a new form will appear looking something like the image below:

As you can see, there are no tax rates and bands set up. To create a band click on the **'New'** button, enter the **'Start of Band'** (this is an annual figure, ie. For the whole tax year), then enter the **'Tax Rate'**, and then click **'Save'**, or **'Clear'** if you want to abandon the input. So, for example, let's say your employees pay 18% on their first 189,880 of taxable income, then 26% on income between 189,881 and 296,540, and 31% on income between 296,541 and 410,460. Then we would setup the table as follows:

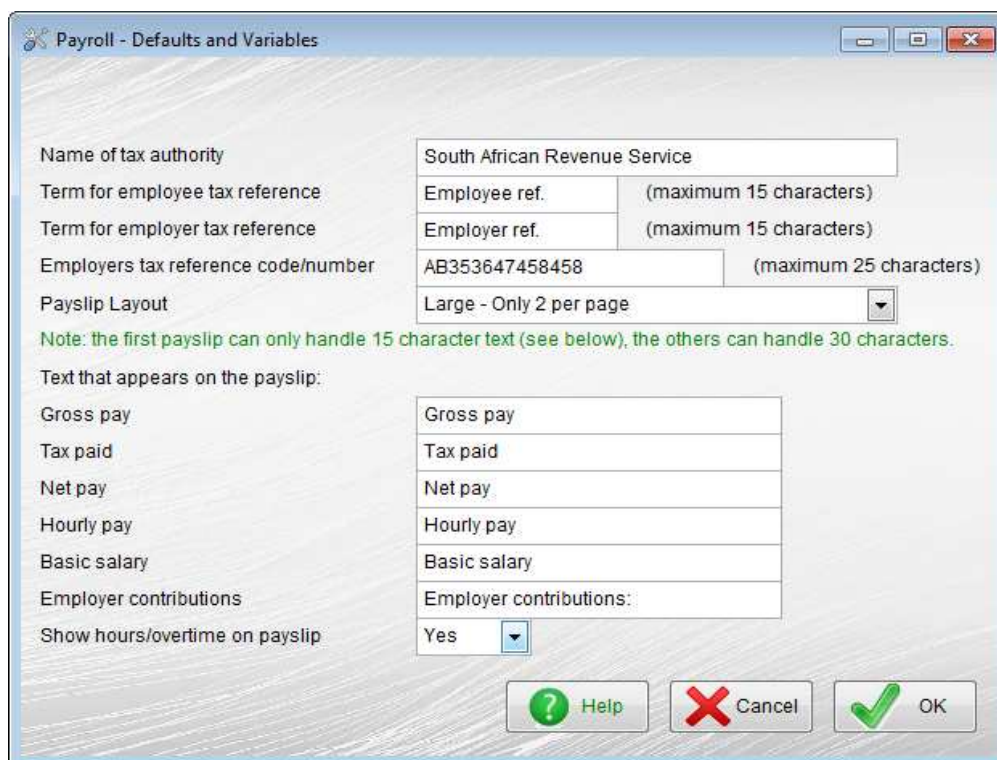
StartofBand	Rate%
0.00	18.00
189,881.00	26.00
296,541.00	31.00

Adminsoft Accounts Basic User Guide – Payroll

Note, we only need to enter the start of the pay band. The above figures are actually based on the South African tax rates for the 2018 tax year (1st March 2017 to 28th February 2018). There are four other higher bands which I've omitted here. I just wanted to keep the example nice and simple.

So, in the tax table above, if an employee earned 250,000 in one year, they would be taxed at 18% on their first 189,880, and then 26% on the balance.

The next thing to set up are some defaults. Click 'Setup' on the top menu bar, go down to 'HR/Payroll', and select 'Payroll Settings'. The form that will appear will look like this:



Name of tax authority	South African Revenue Service	
Term for employee tax reference	Employee ref.	(maximum 15 characters)
Term for employer tax reference	Employer ref.	(maximum 15 characters)
Employers tax reference code/number	AB353647458458	(maximum 25 characters)
Payslip Layout	Large - Only 2 per page	
Note: the first payslip can only handle 15 character text (see below), the others can handle 30 characters.		
Text that appears on the payslip:		
Gross pay	Gross pay	
Tax paid	Tax paid	
Net pay	Net pay	
Hourly pay	Hourly pay	
Basic salary	Basic salary	
Employer contributions	Employer contributions:	
Show hours/overtime on payslip	Yes <input checked="" type="checkbox"/>	

Most of the input fields allow you to set up some of the basic payroll terminology as used in your country. The exceptions are:

'Employers tax reference code/number' is your reference or payroll reference with your tax authority. This will get printed on each payslip.

'Payslip Layout' allows you to select one of four payslip layouts. The default is a large payslip, where only two get printed on a page. This is useful if your employees tend to have a lot of additions/deductions and/or your currency uses large numbers. The small payslip will print five to a page, but cannot handle large numbers, and only has the space for three or four additions/deductions. Both the large and small payslips have a version that will not print out the 'year to date' figures. None of these settings are set in stone, you can come back and change them at any time. However, although you can setup several payrolls within the payroll system, they will all use the payslip layout as select here. Also, unlike other documents such as sales invoices, statements, etc. the payslip layouts cannot be edited. Below are some samples of the payslip layouts.

Adminsoft Accounts Basic User Guide – Payroll

Small - Approximately five per page:

S T W Services		This Period	Year to Date
Employee: Person, Test One		Basic salary 1,500.00	Salary (this employ): 3,047.98
Reference: TEST		Workplace Pensi -1.01	Salary (other employ): 1,000.00
Department: WOR		Workplace Pensi 14.42	Tax (this employ): 609.60
Employee AA123456A		Sales Commissio 25.00	Tax (other employ): 200.00
Employer AB353647458458			
Pay Period: 2/2017		Gross pay 1,523.99	Payment made by: BACS
Period End: 20/06/2017		Tax paid 304.80	Payment made on: 11/05/2017
		Net pay 1,219.19	

Accounts software from www.adminsoftware.biz

Large – Only 2 per page:

S T W Services		This Period	
Employee: Person, Test One		Basic salary 1,500.00	
Reference: TEST		Workplace Pension (Employee) -1.01	
Department: WOR		Sales Commission 25.00	
Employee AA123456A		-----	
Employer AB353647458458		Gross pay 1,523.99	
Pay Period: 2/2017		Tax paid 304.80	
Period End: 20/06/2017		Net pay 1,219.19	
	Year to Date		
	Salary (this employ): 3,047.98		
	Salary (other employ): 1,000.00		
	Tax (this employ): 609.60		
	Tax (other employ): 200.00		
Payment made by: BACS		Employer contributions:	
Payment made on: 11/05/2017		Workplace Pension (Employer) 14.42	

Accounts software from www.adminsoftware.biz

Small – Approximately five per page (no year to date):

S T W Services		This Period	Overtime worked
Employee: Person, Test One		Basic salary 1,500.00	Rate 1 0.00
Reference: TEST		Workplace Pensi -1.01	Rate 2 0.00
Department: WOR		Workplace Pensi 14.42	
Employee AA123456A		Sales Commissio 25.00	Payment made by:
Employer AB353647458458			BACS
Pay Period: 2/2017		Gross pay 1,523.99	Payment made on:
Period End: 20/06/2017		Tax paid 304.80	11/05/2017
		Net pay 1,219.19	

Accounts software from www.adminsoftware.biz

Adminsoft Accounts Basic User Guide – Payroll

Large – Only 2 per page (no year to date):

S T W Services		This Period	
Employee:	Person, Test One	Basic salary	1,500.00
Reference:	TEST	Workplace Pension (Employee)	-1.01
Department:	WOR	Sales Commission	25.00
Employee	AA123456A	-----	
Employer	AB353647458458	Gross pay	1,523.99
Pay Period:	2/2017	Tax paid	304.80
Period End:	20/06/2017	Net pay	1,219.19
<hr/>			
Hours worked			
Rate	Worked	Pay	
12.00	0.00	0.00	
24.00	0.00	0.00	
0.00	0.00	0.00	
<hr/>			
Payment made by:		BACS	
Payment made on:		11/05/2017	
		Employer contributions:	
		Workplace Pension (Employer)	14.42
		Accounts software from www.adminsoftware.biz	

As you can see, when the 'year to date' figures are not printed, it allows for quite a bit more space. There is an input field '**Show hours/overtime on payslip**' at the bottom of the 'Payroll – Settings' form, if this is set to 'Yes' the hours will be printed on the payslips. **But**, only on the payslips that are NOT printing the 'year to date' figures, because if the 'year to date' figures are printed, there isn't enough room for the hours/overtime information to be printed.

That's it for setting up the payroll system, next we need to actually create a payroll.

Creating a Payroll

The payroll software can handle one or more payrolls. Each payroll can have different employees on it, and can have different pay periods. It is common to have a monthly payroll and a weekly one. Click on 'HR/Payroll' on the top menu bar, then select 'Payroll'. A form will appear, looking something like this:

Payroll - Payroll List

Payroll	Freq	Last Year	Last Prd	Last Date	Processed
Monthly Paid	Month	/	/	/	/

Next Pay Period

Tax year:
Period:
Prd end date:

Cancel OK

Tax Payment

Tax N/L Account: 2500
Amount Owed: 0.00

Payroll History Next Period
Payroll Setup Pay Input
Create a New Payroll Help OK

Adminsoft Accounts Basic User Guide – Payroll

One payroll will already have been created for you, with a monthly pay period (as it's the most common). Whatever pay period you wish to use, you can still use this payroll. Single click on it and then click the '**Payroll Setup**' button. The following form will now appear:

Payroll - Payroll Setup Details

Description	Monthly Paid	Last Tax Year	0
Department	ANY Any department	Last Tax Period	0
Payroll Frequency	Monthly	Last Period End Date	//
Period ends at end of month	N (Y/N)	Last Processed Date	//
Default Payment Method	CSH Cash		
Current Tax Year End Date	//		
G/L A/c Tax Control	2500 Payroll Tax Liability		

Regular Employees

G/L A/c Salaries Expense	7100 Salaries
--------------------------	----------------

Directors / Officers

G/L A/c Salaries Expense	
--------------------------	--

Notes

Created automatically on software installation.

Buttons: Delete, Help, Cancel, OK

Text: Nominal/General Ledger account codes must be specified for 'Regular Employees'. If any account codes are not given, no postings will be made when the payroll is processed. Account codes for postings for 'Directors' are optional. If any are left blank then the accounts as specified for 'Regular Employees' will be used.

If your payroll is not monthly, you may want to change the description. The '**Department**' is optional. '**Payroll Frequency**' allows you to set up the pay period. It lists quite a few options: weekly, fortnightly, four weekly, monthly, quarterly, bi-annually, annually, and irregular. This last pay period option allows you to run the payroll on any date, as many times as you wish. Although it offers much flexibility, it's actually very rarely used.

The input '**Current Tax Year End Date**' you will notice is empty and has a pink background. You need to enter your tax year end date in here.

I won't go through every input field. Click on the '**Help**' button for a detailed explanation of each input field. Note you can enter separate General Ledger accounts for regular employees and directors. By default, the section for directors is empty, which means it'll use the account set up for 'Regular Employees'. But common account practice these days is to use accounts. This is because in the Profit & Loss report, the trend is to show employee's salaries under Cost of Goods and directors in Overheads. Which I personally think is wrong, as employees to a large extent are a fairly fixed cost. But it's now internationally accepted practice.

Adminsoft Accounts Basic User Guide – Payroll

The screenshot shows the 'Employee Details' window in Adminsoft Accounts. At the top, there's a search bar with 'Employee Ref.' set to 'JS' and a 'Find' button. The name 'John Smith' is displayed. Below this is a tabbed interface with six tabs: 'Details' (selected), 'Next of Kin / Working Week', 'Documents/Diary', 'Holidays/Absence', 'Pay Details', and 'Pay History'. The 'Details' tab contains two main columns of fields. The left column includes 'Title' (Mr), 'Last Name' (John), 'Middle Name/s', 'First Name' (Smith), 'Address' (12 Big Small Lane, Little Village, Littleborough), 'Post Code', 'Home Tel.' (3732 323234), 'Mobile Phone', 'Home Email', 'Work Email', and 'Holidays' (20.00). The right column includes 'Status' (Married), 'Sex' (Male), 'Date of Birth' (14/06/1970), 'Date Started' (11/05/2016), 'Date Finished' (//), 'Department', 'Position', 'Reports To', 'Purchase Lim.' (0), 'Passport No.', 'Country of Res', 'Partner Name', and 'Partner Employ'. There are also checkboxes for 'Include employee in lists of: Sales personnel' and 'Purchase personnel'. A 'Reminders' button is located between the two columns. At the bottom, there are buttons for 'List Vehicles', 'List Emails', 'Images of Employee', 'Print Details', 'Employee Notes', 'Help', 'New', 'Delete', 'Clear', 'Save', and 'OK'.

Once you are happy with the payroll set up, the next stage is to put employees on the payroll, and enter their pay details. Click on 'HR/Payroll' on the top menu bar, and select 'Employee Details'. Select an employee, or create a new one (click the 'New' button). The employees full name and address, '**Status**', '**Sex**', '**Date of Birth**', and '**Date Started**' are all vital for payroll. The '**Sex**' input field currently only allows for 'Male' and 'Female'. I apologise to anyone that does not relate to the fixed gender types listed.

As you can see, there's lots of stuff in employee details. Much of it doesn't concern us here.

There are two ways of setting the employees basic pay. One is to set up a fixed salary, that doesn't vary each pay period, apart from additions/deductions. The other is to pay the employee by the hour. If you intend to do the later, then click on the '**Next of Kin / Working Week**' tab. The form details will change, and look something like the next image:

Adminsoft Accounts Basic User Guide – Payroll

Employee Details

Employee Ref: JS Find Name: John Smith

Details Next of Kin / Working Week Documents/Diary Holidays/Absence Pay Details Pay History

Contact/Next of Kin New Delete Clear Save

Full Name Address Post Code Telephone Mobile Phone Email Address Relationship Notes

Working week

	Normal Hours	Overtime Rate 1	Overtime Rate 2	Total Hours
Monday	8.00	0.00	0.00	8.00
Tuesday	8.00	0.00	0.00	8.00
Wednesday	8.00	0.00	0.00	8.00
Thursday	8.00	0.00	0.00	8.00
Friday	8.00	0.00	0.00	8.00
Saturday	0.00	0.00	0.00	0.00
Sunday	0.00	0.00	0.00	0.00
Total hours:	40.00	0.00	0.00	40.00

The 'Normal Hours' and 'Overtime Rate' are used by the Time Planner to work out employee availability. If you are running the payroll, they can also be used to calculate the pay of hourly paid employees.

A default working week can be created in Setup -> Human Resources, which may save you time when entering new employees onto the system.

Enter the maximum hours the employee may work on a Monday at overtime rate 2.

Help New Delete Clear Save OK

We're just interested in the right hand side, the '**Working week**' section. This allows you to enter the employees normal working day, plus extra hours (overtime) that may represent different rates of pay. For Saturday and Sunday working, you may wish to put all the hours into one of the overtime columns. The actual hourly rate will be set up in the '**Pay Details**' tab:

Employee Details

Employee Ref: JS Find Name: John Smith

Details Next of Kin / Working Week Documents/Diary Holidays/Absence Pay Details Pay History

Payroll Monthly Paid

If the employee has left, and you no longer wish to pay them, select 'Not on payroll' in the 'Payroll' input field above.

Salary 22000.00 (amount paid each period)

Hourly Rate 0.00

Overtime Rate 1 0.00

Overtime Rate 2 0.00

Employee 7364758634

Tax per Pay Prd. N (Y/N)

Paid as Director N (Y/N)

Payment Method

Bank & Branch/IB

Bank A/C Number

Regular Additions/Subtractions

Code	Description	Amount
BONUS	Bonus	0.00
EXP	Company Expenses	0.00

Code

Amount 0.00

New Delete Clear Save

This Employment Previous Employment

Pay to Date 0.00

Tax to Date 0.00

+ Add Note for the Next Payslip

This list will usually contain details of one or more people who are either the employees spouse/partner, parents, other relative, or friend.

Help New Delete Clear Save OK

Adminsoft Accounts Basic User Guide – Payroll

The first thing is to associate the employee with a payroll. Note: an employee can only ever be on one payroll. If you have an employee that's actually on two or more payrolls (very unusual, but it can happen), you would need to create separate employee records, one for each payroll.

In the example above, I've already entered much of the data. The payroll selected is 'Monthly Paid'. If an employee leaves, once they have received their final salary payment, set their '**Payroll**' input field to 'Not on Payroll'. Otherwise they will keep appearing whenever you process the payroll, even though they've left.

The salary, note, is *PER* pay period. So, if some one's basic salary is 264,000/year, it would be set to 22,000. Below that is the hourly rate. If we're paying an employee by the hour, then we wouldn't normally enter anything into '**Salary**', although in theory you could do. There's nothing to say an employee can't have a basic salary, plus an hourly rate (and some employees on a basic salary may get paid for overtime). When processing the payroll, the salary and hourly rates can be edited. Next is the employees tax reference. Exactly what this input field is called depends on what you entered in the 'Settings' option.

'**Tax per Pay Prd**' should be set to 'N' if you want the employee's tax calculated based on their previous pay in the tax year. This is the normal setting. Entering a 'Y' will force the software to calculate the employee's tax (on a pro-rota basis) based on their pay in the current period, and any previous pay/tax will be ignored.

'**Paid as a Director**' should be set to 'Y' if the employee is a director or officer of the company/organization. In which case, the alternative General Ledger account (if set up) will be used for their salary expense.

The '**Payment Method**', and the two input fields below it for bank details are all optional. The '**Payment Method**' is useful when paying individual employees, as the payment will be posted to the General Ledger account as specified by the payment method code.

Next, we have additions/deductions (it's called '**Regular Additions/Subtractions**' on the form). Click the '**New**' button to add one to the list, or '**Delete**' to remove one from the list. You can edit the amount by singling clicking on the addition/deduction, entering the amount and then clicking '**Save**'. These amounts will then be used when processing the payroll, but they can be edited. Note, any additions/deductions that are automatically calculated based on a percentage cannot be edited, either here or when processing the payroll.

If the employee has joined you part way through the tax year, you will need to enter their '**Pay to Date**' and '**Tax to Date**' from their previous employment.

Running the Payroll

Once you've added one or more employees to the payroll, you can then do a payroll run when needed. To process the payroll, click on 'HR/Payroll' on the top menu bar, and select 'Payroll'. We have already been in this option once, the for that will appear will look like the following image:

Adminsoft Accounts Basic User Guide – Payroll

Payroll	Freq	Last Year	Last Prd	Last Date	Processed
Monthly Paid	Month	/	/	/	/

Next Pay Period

Tax year:
Period:
Prd end date:

Tax Payment

Tax N/L Account: 2500
Amount Owed: 0.00

Click the payroll required (there's only one listed here). Then click the '**Next Period**' button, and enter the details in the '**Next Pay Period**' section. The software will try to guess the input based on today's date, but will probably get it wrong, just edit the input. For example, if you're starting the payroll at the beginning of the 2017/18 tax year (we'll say 1st March 2017 as per the South African tax year, but it could be any date), and it's on a monthly basis, you would enter 2018 as the '**Tax Year**', 1 for the '**Period**', and '31/03/2017' as the '**Prd end date**'. When working with monthly pay periods, it's usual to end the period on the last day of each month. But this doesn't have to be the case. Click on the small '**OK**' button in that section when you've completed the pay period details. The 'Payroll – Pay Input' form may automatically appear. But if it does not, click on the payroll again, and this time click on the '**Pay Input**' button. The following form that appears will look something like this:

Payroll - Pay Input

Payroll: Monthly Paid
Tax year: 2018
Period: 1
Prd end date: 31/03/2017

Total gross pay: 0.00
Total net pay: 0.00
Employees: 1
Total tax: 0.00

Employee	Tax Code	Basic	Add/Sub	Tax	NetPay
John, Smith					

Adminsoft Accounts Basic User Guide – Payroll

In this case, there's only one person on the payroll, but there's no practical limit to the number of people that can be on a payroll. You'll notice all the figures at the top are 0.00, and there are no details for the employee. We now need to process their pay. You can single click on the employee, and then click the **'Pay Input'** button, or you can double click on the employee. The form that appears will look like the next form image:

Payroll - Pay Input Employee/Payslip Details

Employee Ref.: JS
Employee Name.: Smith John
Payroll.: Monthly Paid
Pay Year.: 2018
Pay Period.: 1
Period End.: 31/03/17

Previous Period Next Period

Additions / Deductions

Code	Description	Amount
BONUS	Bonus	0.00
EXP	Company Expenses	0.00

Amount: 0.00 Save Remove Add

Pay Input

	Hourly Rate	Hours
Basic Pay:	22000.00	0.00
Hourly Pay:	0.00	0.00
Before Tax:	0.00	0.00
After Tax:	0.00	0.00

Standard O/T Rate 1 O/T Rate 2 Total: 0.00

Create User Notes for this Pay Slip

Gross Pay: 22,000.00 Tax: 4,454.13 Net Pay: 17,545.87 Payment Due: 17,545.87

Pay - Previous Employment: 0.00 Tax - Previous Employment: 0.00 Pay - This Employment: 22,000.00 Tax - This Employment: 4,454.13 Advance Paid This Period: 0.00

Pay an Advance on Salary

Notes to Appear on Payslip

Employment started on 11/05/16

Holidays/Absence

Start	End	Days	Type
-------	-----	------	------

Note: ALL figures are recalculated when ever this form is displayed, unless the payslip has been processed. Also, Previewing or Printing the payslip will save the details. So clicking on Cancel will not abandon any changes if the payslip has been viewed or printed.

Help Change Calculated Tax View Tax Calculation Summary View Prev Month Preview Payslip Print Payslip Save Cancel OK

The tax figures have been worked out, and if we had added any deductions, additions, or employer contributions, based on a rate (rather than a fixed amount) they would be calculated also. You can edit the **'Basic Pay'**, and/or the **'Hourly Rate'** and **'Hours'** and it will automatically re-calculate the tax. You'll notice in the top righthand side we have the **'Additions / Deductions'** section. John Smith normally receives a bonus, I added the bonus addition in his employee details (you can see this in the screen shot a few pages back). If I hadn't added it prior, I could just click the **'Add'** button and add it now (but it would only add it for this payslip). Either way, you need to enter how much bonus he is to get, so click on the 'Bonus' line, and then enter the amount in the **'Amount'** input field, click the small **'Save'** button when done. If you don't want a particular addition/deduction, click on it, and click the **'Remove'** button (it only removes it for this payslip).

The button **'Create User Notes for this Pay Slip'** allows you to enter notes that will NOT get printed on the payslip. The section **'Notes to Appear on the Payslip'** will, as it suggests, allow you to enter notes that will get printed on the payslip (usually just beneath it). The **'Pay an Advance on Salary'** button allows you to enter an amount that you have loaned to the employee. It will then be taken back in this pay run. You can enter more than one advance if you wish. So, it might be, in order to handle loans advanced to an employee, you may need to bring the payroll to this point so you can make an entry each time money is lent. You can bring the payroll to this point, as you can go back into this payslip record and edit it as many times as you wish. Nothing is fixed, until an employee is paid their salary.

The **'Change Calculated Tax'** allows you to edit the tax amount that has been calculated. This very rarely required, and great care must be taken because if you do anything else to the employee's

Adminsoft Accounts Basic User Guide – Payroll

payslip, the tax will be recalculated. Wiping out your edit.

The '**View Tax Calculation Summary**' will provide a break down showing you how the software arrived at the tax amount.

'**View Prev Month**' will display the previous months payslip, if there is one.

'**Preview Payslip**' will display the payslip that would be printed on the screen.

'**Print Payslip**' does exactly that. Note, you can preview and print payslips as many times as you wish, even after the payroll has finished processing for this pay period.

'**Save**' will save the current payslip details. '**Cancel**' allows you to exit the form without saving the details. '**OK**' will save the details and then exit.

So, when you're happy the employees pay details are correct, click the '**OK**' button. The 'Pay Input' form will now look something like this:

The screenshot shows a window titled "Payroll - Pay Input". It contains a summary of payroll data and a table of employee details.

Payroll Summary:

- Payroll: Monthly Paid
- Tax year: 2018
- Period: 1
- Prd end date: 31/03/2017
- Total gross pay: 22,000.00
- Total net pay: 17,545.87
- Total tax: 4,454.13
- Employees: 1

Employee	Tax Code	Basic	Add/Sub	Tax	NetPay
John, Smith		22,000.00	0.00	4,454.13	17,545.87

At the bottom of the window, there are several buttons: Help, View G/L Postings, Pay Single Employee, Pay All Employees, Preview Payslips, Print Payslips, Pay Input, and OK.

You'll see we now have total figures for the pay and tax and for John Smith himself.

Although individual employees can be paid, by clicking on the employee and then clicking the '**Pay Single Employee**' button, normally all employees would be paid at the same time by clicking the '**Pay All Employees**' button. This is the next step, because the payslips will show the date of payment, but of course that date isn't known until the employee has been paid.

Clicking '**Pay All Employees**' will change the screen, as per this next screen shot:

Adminsoft Accounts Basic User Guide – Payroll

The screenshot shows the 'Payroll - Pay Input' window. At the top, it displays payroll summary information:

Payroll	Monthly Paid	Total gross pay:	22,000.00	Total tax:	4,454.13
Tax year	2018	Total net pay:	17,545.87		
Period	1	Employees:	1		
Prd end date	31/03/2017				

Below this is a table listing employees:

Employee	Tax Code	Basic	Add/Sub	Tax	NetPay
John, Smith		22,000.00	0.00	4,454.13	17,545.87

In the center, a 'Pay All Employees' dialog box is open. It contains the following fields and buttons:

- Payment Date: 24/05/2017 (Wednesday)
- Payment Method: CSH (Cash)
- Total Due: 17,545.87
- Buttons: Run Report, View (HTML), Cancel, OK

At the bottom of the main window, there is a row of buttons: Help, View G/L Postings, Pay Single Employee, Pay All Employees, Preview Payslips, Print Payslips, Pay Input, and OK.

The '**Payment Date**' is usually the date your employees will actually receive the payment. So, for example, if you're paying by bank transfer, it should be the date you expect the money to be in your employee's bank accounts, and not the date you send it.

The report option will print a list of employees and how much money is due to be paid to each of them. Click the '**OK**' button (in the '**Pay All Employees**' section of the form) when done. It doesn't actually pay your employees, of course, but all necessary postings will be made into the General Ledger in anticipation of the payment being made. You can view the postings made by clicking the '**View G/L Postings**' button.

When an employee has been paid, the letter '**P**' will appear on the far righthand side of the employee's line in the list. Once an employee has been paid, you can view their pay input details, but you can no longer edit them.

When you have finished, click the '**OK**' button. This will exit the 'Pay Input' form, and leave you back in the 'Payroll List' form, as in the next image:

Adminsoft Accounts Basic User Guide – Payroll

The screenshot shows the 'Payroll - Payroll List' window. It contains a table with the following data:

Payroll	Freq	Last Year	Last Prd	Last Date	Processed
Monthly Paid	Month	2018	1	31/03/17	24/05/17

Below the table is a 'Tax Payment' section with the following details:

- Tax N/L Account: 2500
- Amount Owed: 4,454.13

There are buttons for 'Record Tax Payment' and 'View Tax Account Details'. To the right, there is a 'Next Pay Period' section with input fields for 'Tax year', 'Period', and 'Prd end date', along with 'Cancel' and 'OK' buttons. At the bottom right, there are buttons for 'Payroll History', 'Next Period', 'Payroll Setup', 'Pay Input', 'Create a New Payroll', and 'OK'. A 'Help' button is also present at the bottom center.

You'll notice there is now a date in the '**Processed**' column for the payroll. That's the first run of the payroll nearly completed.

You can bring the payroll forward to the next period, ready for when you want to run it again. The instructions are much the same as when you ran the payroll for the first time. Except this time, the input fields should automatically show the correct information for the next pay period. All you need to do is check that it's OK (just in case....) and click the small '**OK**' button. The payroll is then ready for the next pay run.

In the above form, if you want to look at previous pay runs, click on the payroll, and then click the '**Payroll History**' button.

Although employees have been paid, we're not quite finished. You will probably owe some tax and and perhaps other deductions/contributions to your tax authority. The amount due will be accruing the General Ledger Payroll Tax Liability account. The balance of this account is displayed in the '**Tax Payment**' section. In the example form above, you can see it stands at 4,454.13

When the payment is due, or has actually been made, click the '**Record Tax Payment**' button. A small section will appear in the middle of the form titled '**Pay Collected Tax**'. In there you would enter the payment details, and click the '**Record Payment**' button. Normally, you would clear the account balance down to 0.00. However, sometimes businesses/organizations may be entitled to withhold some of the tax. In which case, you can leave a balance in the Payroll Tax Liability account. But rather than allow it to build up, it may be better to make a posting between the Payroll Tax Liability account and an account you would need to create, perhaps called 'Withholding Claimed' or similar.

That, basically, is it. I hope you've been able to follow my instructions, and that you can get the payroll to work for you. If you do, please do share your experience in the User Forum.

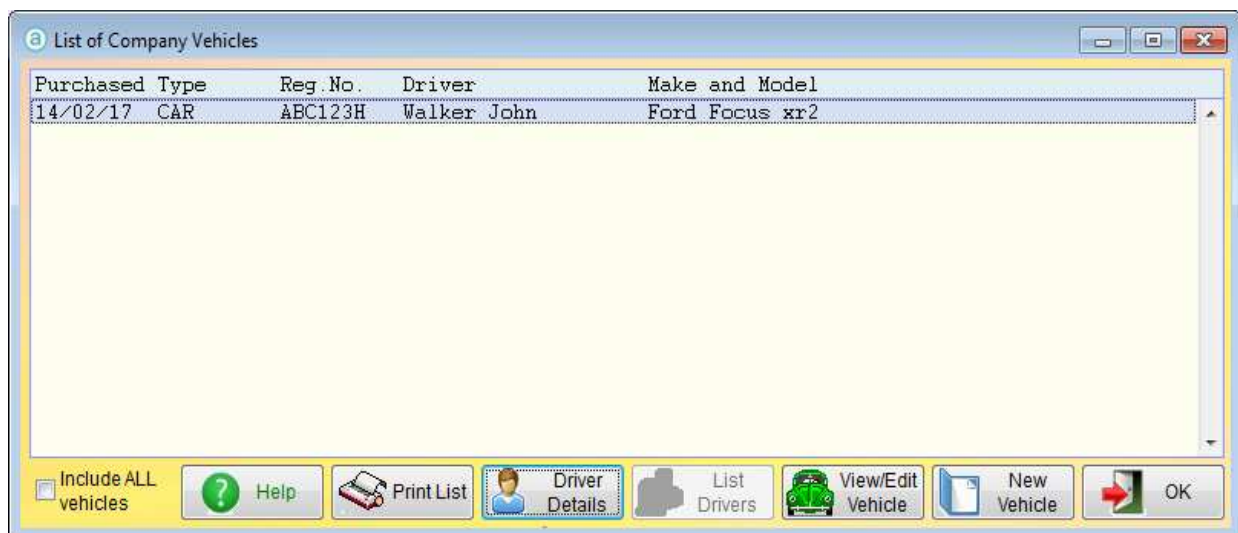
NOTE: It is your responsibility to ensure the payroll calculations are correct, and that filings with your tax authority are accurate and on time. Adminsoft Ltd. or its agents or representatives can accept no responsibility whatsoever.

Employee Vehicles

The 'Human Resources' module can handle employee vehicles. In the United Kingdom, this information is usually reported to HMRC (the UK's tax authority) for tax purposes using a form P11D. But as from tax year 2016/17 onwards it can be sent to HMRC via your FPS instead. Regardless of whether you are in the United Kingdom, you may wish to use this facility to record vehicle details anyway.

Each vehicle has its own data record. At any one time, it may have no designated drivers, or more usually there will be one, but there can be as many as you wish. There is a button in the employee details form called '**List Vehicles**' that will list all the vehicles the employee has ever used, including of course their current vehicle/s. This option has a button '**Add Vehicle**' that allows you to select a vehicle the employee has access to.

There is also a list of all current vehicles in use. Select 'General' on the top menu bar, and then select the 'List Company Vehicles' option. It will look something like this:



Not much of a list, as there's only one car in it! But you get the idea. Note the '**Include ALL vehicles**' check box in the bottom left hand corner. By default, the list only shows current vehicles, but if you click '**Include ALL vehicles**' it'll show all vehicles that have ever been used (or at least entered into the computer system). A vehicle can have more than one driver, in which case in the '**Driver**' column, instead of listing a name it'll say 'Multiple drivers'. You will need to click on the vehicle and then click the '**List Drivers**' button to see who has access to the vehicle. If there is only one driver, as in our list above, if you click on the vehicle, the '**List Drivers**' button will be greyed out, but you will be able to click the '**Drivers Details**' button. This would display a small form something like this next image:

Adminsoft Accounts Basic User Guide – Payroll

The screenshot shows a 'Vehicle Driver' window with the following details:

- Vehicle:**
 - Make and Model: Ford Focus xr2
 - Registration: ABC123H
- Employee:**
 - Employee ID: JW (Walker John)
 - Available from: 14/02/2017
 - Available to: //
 - Cash Equivalent: 250.00 (based on pay period)
 - Update HMRC?: No (sent via RTI on next payroll run)
- Free Fuel Provided:**
 - From: 16/02/2017
 - To: //
 - Cash Equivalent: 100.00

Buttons at the bottom: Help, Cancel, OK.

It's fairly straightforward. '**Available from**' is the date from which the employee had access to the vehicle. '**Available to**' is the date on which they ceased to have access. Once there is a date in there, they would no longer be listed as a current driver (even if the date given is in the future).

For users in the United Kingdom, you will also see the following input fields:

'**Cash Equivalent**' is the value of the vehicle on which tax and NIC Class 1a will be calculated. The calculation for this figure is a little complex, and subject to various rules and regulations. Please visit HMRC's website for details. The payroll does not calculate a figure for you, and it will not automatically make any deductions for tax for Class 1a National Insurance. The '**Cash Equivalent**' figure is passed to HMRC via RTI, and HMRC will collect the tax by changing the employees tax code. You will need to calculate Class 1a contributions and pay them each year. Again, please visit HMRC's website for full details, as it's complicated, and changes year to year.

If the vehicle is shared by two or more employees, this affects the '**Cash Equivalent**'. It is also affected if the employee has access to more than one vehicle. Check HMRC's website for details.

'**Update HMRC?**' will be automatically set to 'Yes' when the driver record is first created, or something on it is edited and the change needs reporting to HMRC. Any details only need to be sent once, and once sent, '**Update HMRC?**' is set to 'No'. They are sent when the employees pay details are sent via and FPS. Though you can manually set it back to 'Yes' if you wish (no harm in sending the details more than once). Beware, if the employee is only paid sporadically, you may need to inform HMRC of any vehicle changes rather than relying on the RTI system.

'Free Fuel Provided' details (if any) will be sent to HMRC via an FPS the same as the '**Cash Equivalent**'. Again, the figures in here will have no bearing on the payroll calculations.

To add a new vehicle, click the '**New Vehicle**' button in the 'List of Company Vehicles' window. A window will appear looking like the following image:

Adminsoft Accounts Basic User Guide – Payroll

The screenshot shows the 'Vehicle Details' window. The title bar says 'a Vehicle Details'. The window has a yellow background. On the left, there's a list of fields: 'Make and Model', 'Registration', 'Date of Registrn.', 'Type of Vehicle', 'Type of Fuel', 'CO2 Emission', 'Asset Code', 'List Price', 'Report via RTI?', and 'Notes'. The 'Date of Registrn.' field has a pink background and shows '//' with a calendar icon. The 'Type of Fuel' field is a dropdown menu showing 'Petrol'. The 'CO2 Emission' field shows '0'. The 'Asset Code' field has a pink background and a magnifying glass icon. The 'List Price' field shows '0.00' with a note '(including all accessories, minimum 1,000.00)'. The 'Report via RTI?' field is a dropdown menu showing 'Yes'. The 'Notes' field is a large text area. On the right, there's a section for purchase and sale details: 'Date Purchased' (pink background, '//'), 'Purchase Price' (0.00), 'Opening Mileage' (0), 'Purchased From' (a large text area with a 'Find Supplier' button), 'Date Sold' (pink background, '//'), 'Sold Price' (0.00), 'Closing Mileage' (0), 'Sold To' (a large text area with a 'Find Customer' button). At the bottom left, there's a 'Current driver:' label and a 'List Drivers' button. At the bottom right, there are four buttons: 'Help' (green question mark), 'Delete' (grey trash can), 'Cancel' (red X), and 'OK' (grey checkmark).

All the input fields with pink backgrounds need something entering into them. Most of the input fields are obvious. Some less so are:

'**Date of Registrn.**' is the Date of Registration. There wasn't enough space for the full word.

'**Type of Vehicle**' can be anything, such as 'car', 'van', and so on. It just needs something in there to help you identify what sort of vehicle it is.

'**CO2 Emission**' is important these days. If you in the United Kingdom, you will need to enter a value in here. If the value isn't known, set 'CO2 Known?' to 'No'. If using RTI to report vehicle details, that information (or lack of...) will be passed on to HMRC.

'**Asset Code**' allows you to select which asset as held in the Asset Register this vehicle is. Although you can enter purchase and sale details in this window, it does NOT set up the vehicle as an asset in accounts. That can only be done via the Asset Register, and then linked using this input field.

'**Report via RTI?**' can only be seen if you're in the United Kingdom. If set to 'Yes', then the details of any drivers of this vehicle will be reported to HMRC via the next FPS.

At the time of writing (v4.247), the vehicle and driver details entered here are NOT related at all to the '**Vehicle Mileage**' option in the 'General' menu. Although they both require vehicle and driver details, they are separate systems. One day, hopefully, they will be integrated.

Payroll Reports

There are only two reports in the 'Payroll Reports' section of the 'HR/Payroll' menu:

'**Payroll Analysis**' will print an analysis period by period for a given date range, for each payroll. It shows the number of employees, hours worked at standard time, plus overtime 1 and overtime 2, and the total gross pay.

'**Deductions/Additions Analysis**' will print an analysis for each payroll showing the total amounts of each deduction or addition for a given date range.

Due to the introduction of RTI in the United Kingdom there are no facilities for printing P14 and P35 reports. I'm afraid users from outside the United Kingdom may find the lack of any reports showing tax deductions a little frustrating. Extra reports will be added at some point.

VERY IMPORTANT: Please be aware it is YOUR responsibility to ensure the salaries and all deductions and associated taxes are calculated, printed and stored correctly. Neither Adminsoft Ltd. or any of its representatives or affiliates can accept any responsibility whatsoever, whether they were alerted to a problem or potential problem or not.

End of document