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Welcome

Welcome to the April newsletter for users of Datafile Software Solutions.

If you have any suggestions for issues you would like to see covered in future newsletters please contact the team via the email address below.

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Payroll 2015/16 Update Now Available

The Datafile Payroll update was made available in March 2015.

If you have not yet been updated, or arranged your update, please contact the support team to arrange.

As well as the usual PAYE and NI table updates this year includes support for the new NI categories for employees who are 21 and under—these employees no longer have an employer NI cost (subject to earnings level).

Additionally a new statutory payment scheme for Shared Parental Pay where unused Maternity Weeks can be shared between partners, and new tax code suffixes (M/N) for the Married Couples Allowance.

In addition new features have been added to allow for up to six payslip definitions to be defined which allows for greater flexibility when printing and emailing payslips.

Entry	Cumulative Tax Bands	Rate %	Scot %
1	0 - 31785.00	20.00	20.00
2	31785.01 - 150000.00	40.00	40.00
3	150000.01 -	45.00	45.00
4	-	0.00	0.00
5	-	0.00	0.00
6	-	0.00	0.00
7	-	0.00	0.00
8	-	0.00	0.00
9	-	0.00	0.00
10	-	0.00	0.00

Basic rate entry ? 1 Max % ? 50.00
SLC threshold ? 17335.00 Rate % 9.00

New Payroll Rates confirmed
OK

Pension Auto-Enrolment

More and more Datafile users are now approaching their Auto-Enrolment staging dates and need to make changes to their Datafile Payroll application accordingly.

Unlike other changes, such as RTI, there is no standardised Auto-Enrolment process. Each pension scheme / provider has their own specifications with regards contribution calculations, employee categorisation and communication requirements and, as such, there is no standard process that each employer must follow. The changes to the Datafile Payroll system, and what additional features (if any) you may require, therefore depend on the pension scheme / provider you as an employer choose to go with.

There are four main aspects to auto-enrolment.

Categorisation of Employees. There are three aspects to review—the employees age, their earnings and whether they are working under contract in the UK.

You need to assess an employees age—Employees between 16 and 74 are classed as jobholders/entitled workers, with employees between 22 and state pension age being eligible jobholders. You need to assess their earnings—eligible job holders who earn more than £10K per annum (pro-rata'd to the earnings period) must be auto-enrolled, other employees and those who earn less than this can opt-on.

Datafile reporting tools can assist with these options—reports showing the employees age and earning level so the employer can determine the category.

Calculation of Pension Contributions. The Datafile payroll system has various options to calculate pension contributions. The option to be applied depending on the pension scheme / provider the employer chooses.

The usual option would be the Company Pension scheme. This option allows for contribution levels to be recorded on the employee's payroll record whilst system parameters control how that level is to be processed. Parameters control whether that employee contribution level is a percentage of the employees Gross Pay in the period, a percentage of the employees Basic Pay in the period or a fixed value per period. System parameters also control the tax treatment on the pension contribution and whether, if Gross%, the percentage is to be calculated based on earnings between the LEL/UEL NI bands.

As standard, one company pension scheme can be configured per Datafile Payroll 'company', if more than one scheme required then an accessory is available that allows for up to ten scheme definitions—each employee linking to one of the defined schemes.

Alternative options would be to use a Deduction 'Switch' for the pension contribution or, for appropriate schemes, the Stakeholder Pension options.

Communications—Communications are required from the employer to the employee and from the employer to the pension provider.

Your pension scheme/provider will often provide you with standard templates for documents to be issued to employees as you reach your staging date (or the employee reaches 22). These templates can be created as Microsoft Word documents and accessed via the 'Word' option against the employee record.

Your pension scheme/provider will require you to provide reports of the employee pension contributions. These reports will often be CSV based and need to match a format as specified by the scheme provider. Datafile reporting application tools can be developed to create these files from the employee data for upload to the pension provider. Datafile have developed applications that can link to the most common providers.

Record Keeping—Employers are required to retain records of employee and employer pension contributions, enrolment start dates, employee opt out dates and so on.

Employee Notices—if using pension provider supplied templates via the Datafile Word link then the system will retain copies of the document against the employee record. Alternatively the SCANS options on the Employee Ledger Enquiry to record copies of any opt-in, joining or opt-out notices.

Contributions—The P11 transaction file can be configured to record the employee/employer contributions and then reported via a P11 listing or statement report.

VAT Treatment for Settlement Discount

From the 1st April 2015 the rules for the calculation of VAT when using settlement or prompt payment discount options is changing.

Previously VAT was calculated based on the discounted value regardless of whether the invoice was paid within the settlement terms. From the 1st April VAT is calculated on the full value of the goods/services supplied and a VAT adjustment is raised if payment made within the terms.

A summary of the changes can be found on the HMRC website [here](#).

This change affects all Datafile users who process invoices from their suppliers with settlement discount or raise invoices to their customers with settlement discount.

For invoices raised to customers, changes are required to document designs to include text changes as recommended by the HMRC so that you do not have to raise credits when the customer pays on time and takes the settlement discount.

Changes are also required to system profile parameters, document parameters and database structures. Depending on your set-up and processes, the changes required can be quite involved and may involve a cost to reconfigure your system.

Datafile users who are using settlement discount options should contact the support team to discuss the changes required.

INVOICE		Datafile Demonstration Limited			
Baldwin Industries plc Unit 5, Light Ind. Estate Stopgate Lane Aintree, Liverpool Merseyside L9 6PY		Windgate Lodge Windgate Tarleton Lancashire PR4 6JF			
		Tel: 0845 643 2766 Fax: 0845 643 2624			
		V.A.T. Registration No 123-4567-89			
Account	Invoice Date	Invoice No	Order No	Your Ref	
BAL001	08/04/2015	000018	000010		
Code	Description	Quantity	Price	Value	Tax
CH0167	Dining Chair - teak/dralon	4.00	87.99	351.96	S
CH0168	Carver-teak/dralon	2.00	90.00	180.00	S
CH0173	Oval dining table-teak	1.00	210.99	210.99	S
A discount of 3% of the full price applies if payment is made within 10 days of the invoice date. No credit note will be issued. Following payment you must ensure you have only recovered the VAT actually paid.					
PPD Net				720.66	
PPD VAT				144.13	
PPD Total				864.79	
Goods Total				742.95	
V.A.T.				148.59	
Total Invoice Value				891.54	
Date Payable				08/05/2015	

The screenshot shows the 'Allocation Actions' window in Datafile Premier 2015. The account code is BAL001 and the name is Baldwin Industries plc. The table below shows the current allocation details:

Date	Reference	Total	Outstanding	Description	Tx-Type	Balance
26/01/15	000001	1346.47	1246.47	Dining suite	DB-Inv	5566.52
26/01/15	000007	1410.00	1410.00	Dining suite	DB-Inv	447.91
26/01/15	000008	272.59		Garden Furniture	DB-Inv	1351.25
26/01/15	000009	872.96		Dining Suite	DB-Inv	0.00
26/01/15	000015	872.96		Sales Invoice	DB-Inv	0.00
08/04/15	000018	891.54	891.54	Dining Suite	DB-Inv	1514.66
						206.78

A dialog box is displayed in the foreground asking: "Prompt Payment Discount of 26.75 to be created?". The 'Yes' button is highlighted with a green checkmark.