

# Sage 50cloud Payroll Get To Know Pensions

Presented by Calvin Oldham

Sage



# Housekeeping

The image shows a mobile application interface for a 'Questions' feature. A vertical sidebar on the left contains several icons: a blue flower-like logo, a red microphone icon with a slash, a question mark icon, a document icon, an information icon, and a full-screen icon. The main content area is titled 'Questions' and contains the text 'Send us your questions' and 'Want answers?' with a dashed arrow pointing to a text input field labeled 'Ask the staff a question'. At the bottom, there is an 'Exit' button and a blue 'Send' button. Four callout boxes with green borders and lines pointing to the icons provide instructions: 'Your microphone is muted automatically' (pointing to the microphone icon), 'Download a handout' (pointing to the document icon), 'Switch to full screen' (pointing to the full-screen icon), and 'Send us your questions' (pointing to the question mark icon).

Your microphone is muted automatically

Download a handout

Switch to full screen

Send us your questions

Questions

Send us your questions

Want answers?

Ask the staff a question

Exit

Send

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## Setting up and assigning a pension scheme

How to set up a pension scheme and manually assign the scheme to your employees

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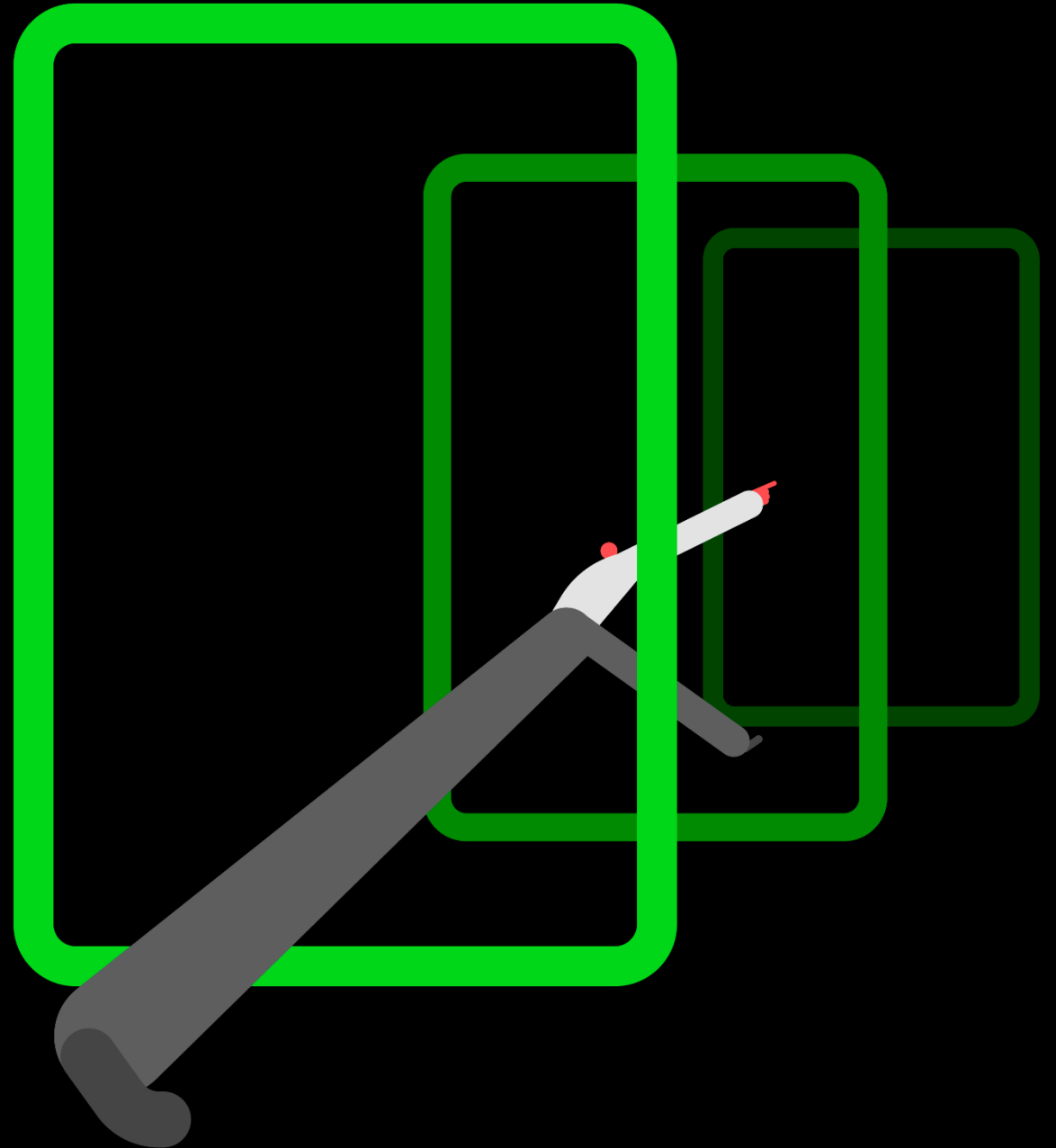
How to manually process opt in and opt out requests

## Calculations

How is a pension calculated

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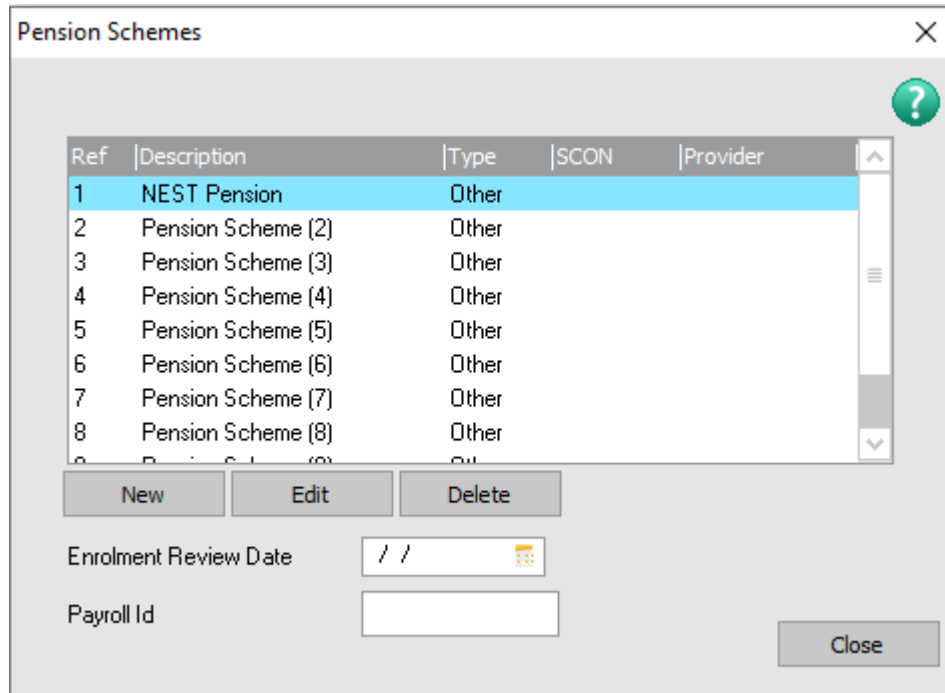
# Setting up and assigning a pension scheme



# Setting up and assigning a pension scheme

## Pension scheme settings

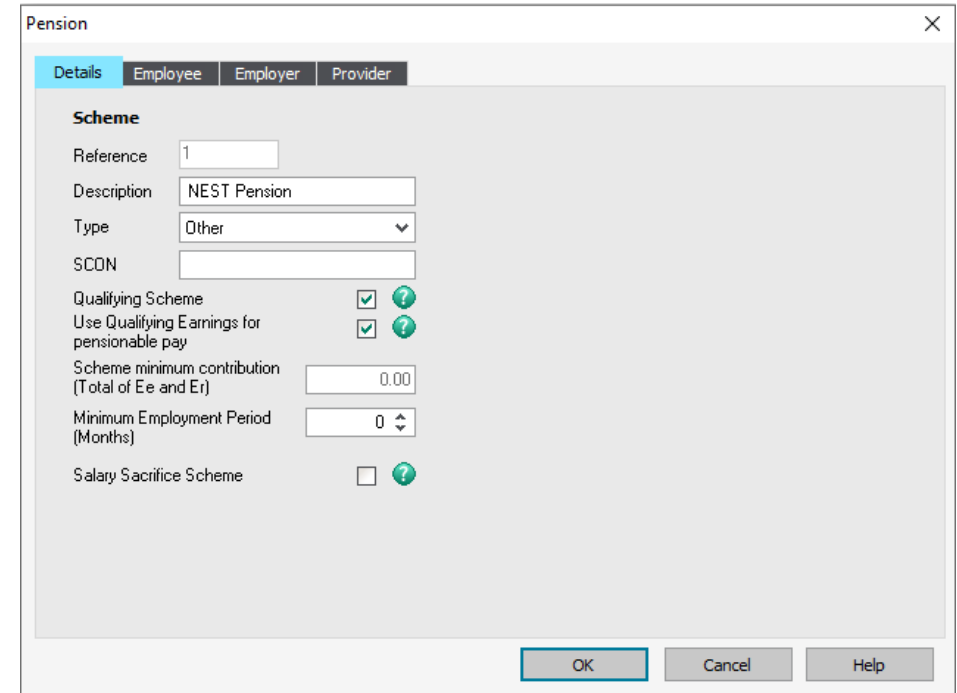
The settings of a pension scheme determine how the pension will be calculated.



The screenshot shows a dialog box titled "Pension Schemes" with a close button (X) in the top right corner. It contains a table with the following columns: Ref, Description, Type, SCON, and Provider. The first row is highlighted in blue.

Ref	Description	Type	SCON	Provider
1	NEST Pension	Other		
2	Pension Scheme (2)	Other		
3	Pension Scheme (3)	Other		
4	Pension Scheme (4)	Other		
5	Pension Scheme (5)	Other		
6	Pension Scheme (6)	Other		
7	Pension Scheme (7)	Other		
8	Pension Scheme (8)	Other		

Below the table are three buttons: "New", "Edit", and "Delete". At the bottom, there are two input fields: "Enrolment Review Date" with a date picker icon and "Payroll Id" with a text input field. A "Close" button is located at the bottom right.



The screenshot shows a dialog box titled "Pension" with a close button (X) in the top right corner. It has three tabs: "Details", "Employee", and "Provider". The "Details" tab is active. The "Scheme" section contains the following fields:

- Reference: 1
- Description: NEST Pension
- Type: Other (dropdown menu)
- SCON: (empty text field)
- Qualifying Scheme:  (with a help icon)
- Use Qualifying Earnings for pensionable pay:  (with a help icon)
- Scheme minimum contribution (Total of Ee and Er): 0.00
- Minimum Employment Period (Months): 0 (with up/down arrows)
- Salary Sacrifice Scheme:  (with a help icon)

At the bottom right, there are three buttons: "OK", "Cancel", and "Help".

# Setting up and assigning a pension scheme

## Assigning the scheme to employees

- Assess your employees
- Determine if employees are Eligible, Non-Eligible or Entitled
- Eligible employees must be enrolled

Legislation Settings - 2021/2022

PAYE NI SSP Parental Pay Car Details Student/Postgraduate AEO Rates Minimum Wage Childcare **Automatic Enrolment**

**Automatic Enrolment Bands**

Effective from: 06/04/2021

	Lower Threshold	Earnings Trigger	Upper Threshold
Annual	6240.00	10000.00	50270.00
Monthly	520.00	833.00	4189.00
Four Weekly	480.00	768.00	3867.00
Fortnightly	240.00	384.00	1934.00
Weekly	120.00	192.00	967.00

**Assessment Age**

Earliest assessment age: 16

Eligibility age: 22

Eligibility for automatic enrolment ceases: State Pension Age

Automatic enrolment rules no longer applicable: 75

**Pension Contributions**

Employer minimum contribution: 3.0

Employee minimum contribution: 0.0

Total minimum contribution: 8.0

The Legislation Settings shown are for the 2021/2022 Tax Year

# Setting up and assigning a pension scheme

## Assigning the scheme to employees

- Pension assessment
- Manually

Employee Record - Ref: 2 - Mr Employee Two

New Starter Form Personnel First Previous Next Last Add Photo

Personal Employment **Pensions** Absence Cars/Fuel Banking Analysis History Terms Documents

**Pension Scheme**

Primary Scheme NEST Pension

Contributions 47.54, 63.39

Manage Schemes

**Current Status**

Qualifying Scheme Opt Out?

Opt Out Date / /

Postponement Expiry Date / /

Postponement Correspondence




Save Close

# Setting up and assigning a pension scheme

## Pension assessment

Sage Payroll Pensions Module

**Pension Assessment** | 10 employees  
Process Date: 30 April

[What should I do during an assessment?](#)   

From the Pension assessment window, you can view your employees' automatic enrolment status and contributions.  
Any eligible employees are automatically enrolled for you and you can also postpone or opt in or out any employees with the relevant documentation.

View:

<input checked="" type="checkbox"/>	Name	No.	NI	Type	Status	Scheme	Employee	Employer	Refunds	Total
<input checked="" type="checkbox"/>	Employee One	1	BA482468B	Eligible	Auto-enrolled	Company Pension Scheme	5% (£79.20)	3% (£59.40)		£138.60
<input checked="" type="checkbox"/>	Employee Two	2	JE875764C	Eligible	Auto-enrolled	Company Pension Scheme	5% (£52.81)	3% (£39.61)		£92.42
<input checked="" type="checkbox"/>	Employee Three	3	YM345357D	Eligible	Auto-enrolled	Company Pension Scheme	5% (£62.53)	3% (£46.90)		£109.43
<input checked="" type="checkbox"/>	Employee Four	4	YP476798B	Eligible	Auto-enrolled	Company Pension Scheme	5% (£39.87)	3% (£29.90)		£69.77
<input checked="" type="checkbox"/>	Employee Five	5	ZA912878A	Eligible	Auto-enrolled	Company Pension Scheme	5% (£39.87)	3% (£29.90)		£69.77
<input checked="" type="checkbox"/>	Employee Six	6	YZ768883C	Non-Eligible	-		£0.00	£0.00	£0.00	£0.00
<input checked="" type="checkbox"/>	Employee Seven	7	NA238551D	Non-Eligible	-		£0.00	£0.00	£0.00	£0.00
<input checked="" type="checkbox"/>	Employee Eight	8	NE468766B	Entitled	-		£0.00	£0.00	£0.00	£0.00
<input checked="" type="checkbox"/>	Employee Ten	10	WE433879A	Non-Eligible	-		£0.00	£0.00	£0.00	£0.00
<input checked="" type="checkbox"/>	Employee Nine	11	AA123123A	Eligible	Auto-enrolled	Company Pension Scheme	5% (£62.53)	3% (£46.90)		£109.43

Employees included: **10** Payment: **£589.42**



# Opt in / Opt out requests



# Opt in / Opt out requests

## Opt in

Employees who are non-eligible or entitled can opt in to a pension scheme

- Non-eligible employees who opt in, the employer must contribute
- Entitled employees who opt in, the employer can choose to contribute

# Opt in / Opt out requests

## Opt out

Employees who are Eligible and have been automatically enrolled can opt out of a pension scheme




- The employee must request this through the pension provider
- The pension provider will then inform you of the request

# Opt in / Opt out requests

## Pension assessment

Sage Payroll Pensions Module




**Pension Assessment** | 10 employees  
Process Date: 30 April

[What should I do during an assessment?](#)   

From the Pension assessment window, you can view your employees' automatic enrolment status and contributions.  
Any eligible employees are automatically enrolled for you and you can also postpone or opt in or out any employees with the relevant documentation.

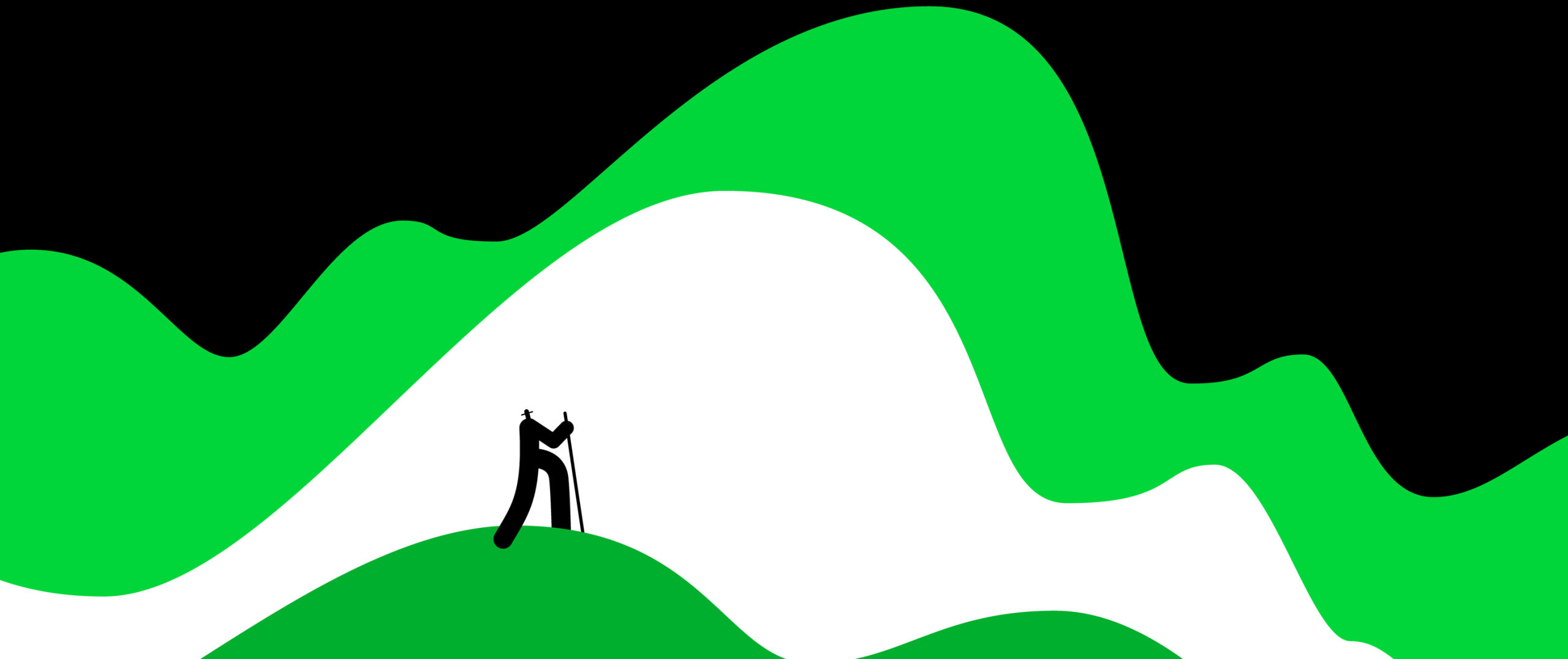
View: All (10)

<input checked="" type="checkbox"/>	Name	No.	NI	Type	Status	Scheme	Employee	Employer	Refunds	Total
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Employees included: 10    Payment: **£589.42**

# Calculations



# Calculations

- **Things to check before calculating**
  - ✓ Does the scheme use qualifying earnings ?
  - ✓ Is the scheme deducted before or after tax ?

Pension

Details Employee Employer Provider

**Scheme**

Reference 1

Description NEST Pension

Type Other

SCDN

Qualifying Scheme  ?

Use Qualifying Earnings for pensionable pay  ?

Scheme minimum contribution (Total of Ee and Er) 0.00

Minimum Employment Period (Months) 0

Salary Sacrifice Scheme  ?

OK Cancel Help

Pension

Details Employee Employer Provider

**Contribution**

Percentage = 5.00

Note: The value entered will apply to all employees with this pension scheme. You can change an individual employee's contribution in their employee record.

Options regarding the pension deductions are disabled as you have selected to restrict pension contributions to qualifying earnings.

**Settings**

Calculate Minimum Rebate

Include Rebate and Amount

Include SSP Payments

Include SMP Payments

Include SAP Payments

Include SPP Payments

Include ShPP Payments

Include SPBP Payments

Deduct Before Tax

Minimum Contribution (period) 0.00

Maximum Contribution (annual) 0.00

OK Cancel Help

# Calculations

- **Qualifying earnings**
- When a pension scheme uses qualifying earnings the pensionable pay is calculated using the upper and lower thresholds

Legislation Settings - 2021/2022

PAYE | NI | SSP | Parental Pay | Car Details | Student/Postgraduate | AEO Rates | Minimum Wage | Childcare | **Automatic Enrolment**

**Automatic Enrolment Bands**

Effective from: 06/04/2021 [Add Date] [Edit Date] [Delete Date]

	Lower Threshold	Earnings Trigger	Upper Threshold
Annual	6240.00	10000.00	50270.00
Monthly	520.00	833.00	4189.00
Four Weekly	480.00	768.00	3867.00
Fortnightly	240.00	384.00	1934.00
Weekly	120.00	192.00	967.00

**Assessment Age**

Earliest assessment age: 16

Eligibility age: 22

Eligibility for automatic enrolment ceases: State Pension Age

Automatic enrolment rules no longer applicable: 75

**Pension Contributions**

Employer minimum contribution: 3.0

Employee minimum contribution: 0.0

Total minimum contribution: 8.0

The Legislation Settings shown are for the 2021/2022 Tax Year

[OK] [Cancel]

# Calculations

- **Example calculation**

- Pension doesn't use qualifying earnings and is deducted before tax, employee contribution is 5% and employer is 3%
- Gross Pay = £2000
  
- £2000 is the pensionable earnings
- 5% of 2000 = £100 (employee contribution)
- 3% of 2000 = £60 (employer contribution)



# Calculations

- **Example calculation**

- Pension uses qualifying earnings and is deducted before tax, employee contribution is 5% and employer is 3%
- Gross Pay = £2000
  
- $2000 - 520 = £1480$  (this is now the pensionable earnings)
- 5% of 1480 = £74 (employee contribution)
- 3% of 1480 = £44.40 (employer contribution)

# Calculations

- **Example calculation**

- Pension uses qualifying earnings and is deducted before tax, employee contribution is 5% and employer is 3%
- Gross Pay = £8000
- Because the gross pay is higher than the upper earnings threshold, anything over the threshold is **NOT** classed as pensionable pay,
- $4189 - 520 = £3669$  (this is now the pensionable earnings)
- 5% of 3669 = £183.45 (employee contribution)
- 3% of 3669 = £110.07 (employer contribution)

# Calculations

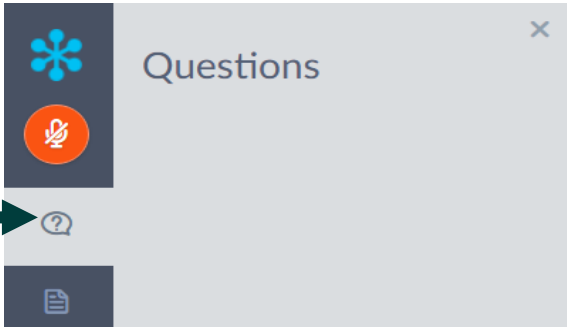
- **Example calculation**

- Pension uses qualifying earnings and is deducted after tax, employee contribution is 5% and employer is 3%
- Gross Pay = £2000
- $2000 - 520 = £1480$  (this is the pensionable earnings)
- 5% of 1480 = £74
- $74 - 20\% = £59.2$  (this is now the employee contribution)
- 3% of 1480 = £44.40 (employer contribution)

# Calculations

- **Your turn**

To send your answers click this icon on the right hand side



- Pension uses qualifying earnings and is deducted before tax, employee contribution is 5% and employer is 3%. Employee is monthly.
- Gross Pay = £1500

Legislation Settings - 2021/2022

PAYE | NI | SSP | Parental Pay | Car Details | Student/Postgraduate | AEO Rates | Minimum Wage | Childcare | **Automatic Enrolment**

**Automatic Enrolment Bands**

Effective from: 06/04/2021 [Add Date] [Edit Date] [Delete Date]

	Lower Threshold	Earnings Trigger	Upper Threshold
Annual	6240.00	10000.00	50270.00
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# Calculations

- **Answer**
- Employee contribution = £49
- Employer contribution = £29.40

**Further support.**



# Help Centre

[www.sage.co.uk/help](http://www.sage.co.uk/help)

- Search our knowledgebase
- Support guides
- Webinars
- Videos
- Get in touch

The screenshot shows the Sage Help Centre website. At the top, there is a navigation bar with the Sage logo and links for Help Centre, Products, Integrated Apps, Sage University, and Useful Links. Below this is a secondary navigation bar with links for Sage 50cloud Payroll, Hot topics, Manage your account, Free training, Sage City, and Webinars. The main header features the text "You need help. We have answers." and a search bar with the placeholder text "Search for answers...". To the right of the search bar is an illustration of a person sitting at a desk with a computer, with a large green book in the foreground. Below the header, there is a section titled "What do you need help with today?" which contains six cards with icons and titles: "Pensions", "Online Services", "Processing your payroll", "Correcting mistakes in payroll", "Payroll year end 2022", and "Statutory payments and holidays". Each card has a brief description and a right-pointing arrow. At the bottom of this section is a button labeled "View all support hubs". The footer of the page is dark and contains the Sage logo and links for Popular Products, Product Roadmaps, and Useful Links.

# What's included as a Sage member?





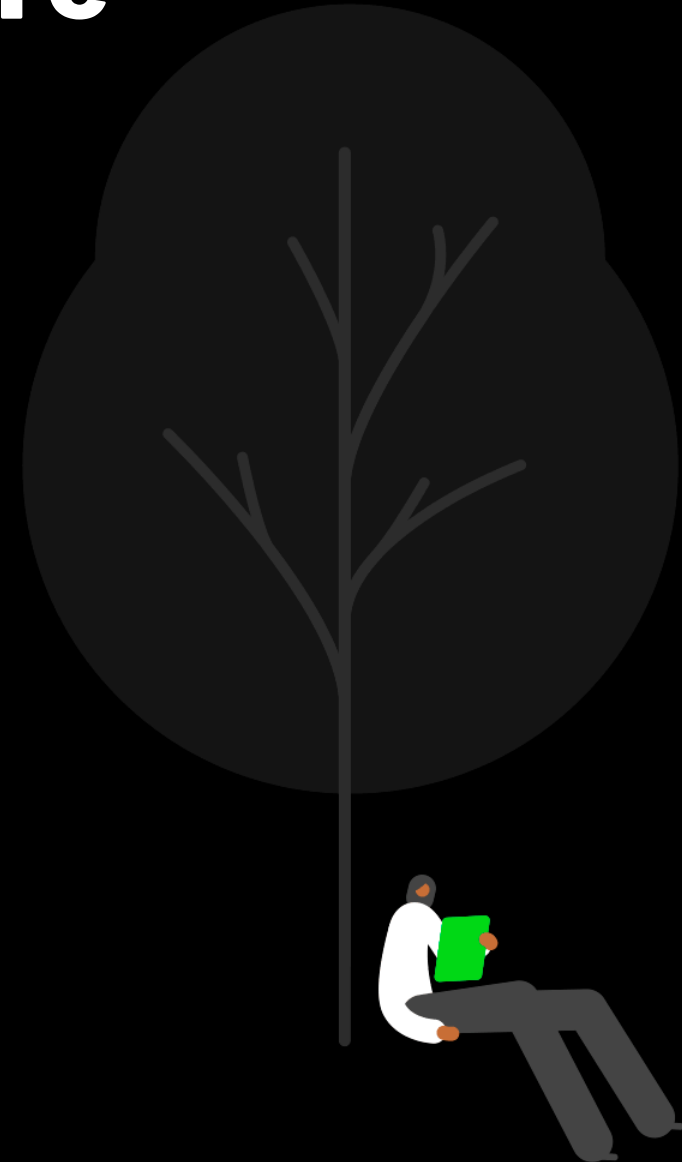
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We know that running a business can be tough and at Sage we want to help you and your business with the many challenges you face.

## That's why Sage goes beyond great software solutions

As a valued Sage customer and member of the Sage community, you'll enjoy benefits that help you and your business by connecting with brilliant experts and industry peers.

**Sage is here to help you grow and your business flow.**



# A member of the Sage community

All included as a member of Sage – FREE

Being a Sage member you get **great software solutions**, expert advice to **get the most from your solutions** and **more help with the business challenges you face**. All wrapped in the **human touch of Sage's community** of customers, partners and colleagues.

Exclusive member benefits include:

Member  
Masterclass

Learning

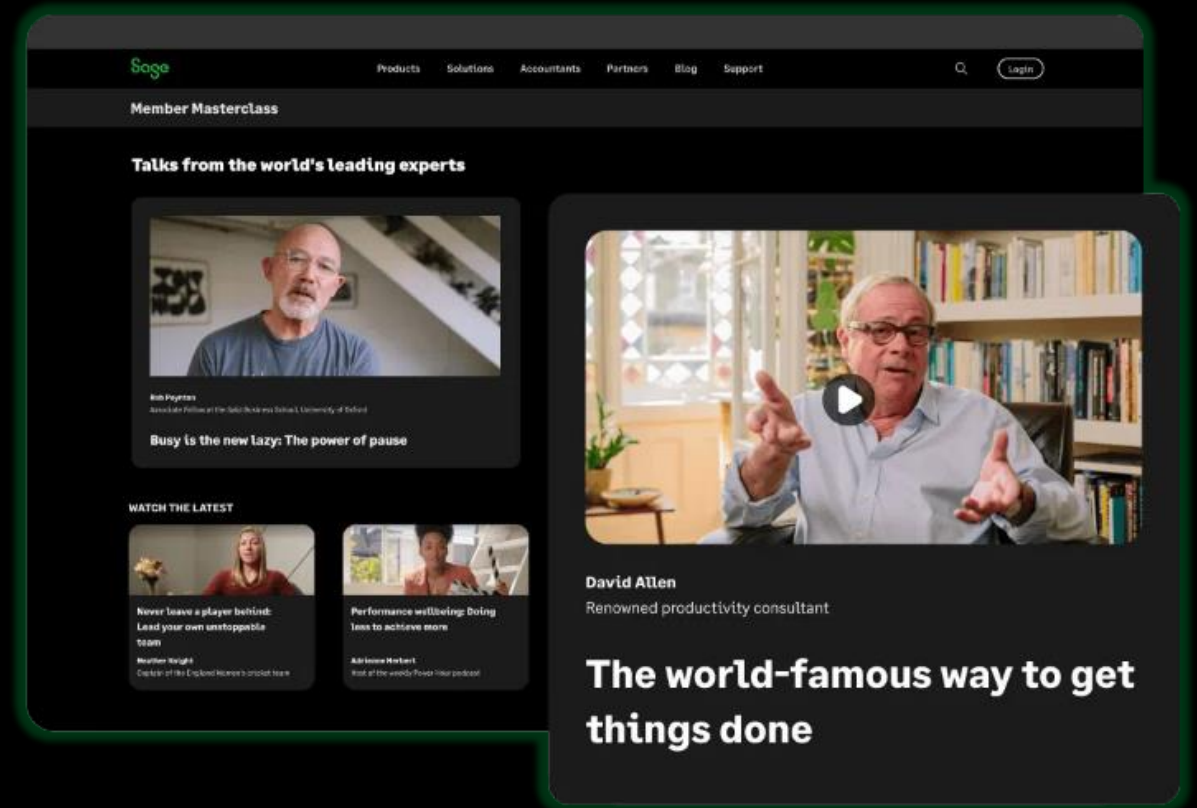
Community  
Forums

Award winning  
support

Business Advice

Software  
Certification

Find out more about these [exclusive benefits](#).



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**As a Sage customer or partner you have automatic access to exclusive benefits, which includes expert human advice in Member Masterclass.**

We asked customers what the most pressing issues and problems are that they face in their business and have built [Member Masterclass](#) to support you with the challenges you face and help your businesses grow.

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Renowned productivity consultant

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**Rob Poynton**  
Associate Fellow at the Saïd Business School, University of Oxford

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**Heather Knight**  
Captain of the England Women's cricket team

**Never leave a player behind: Lead your own unstoppable team**

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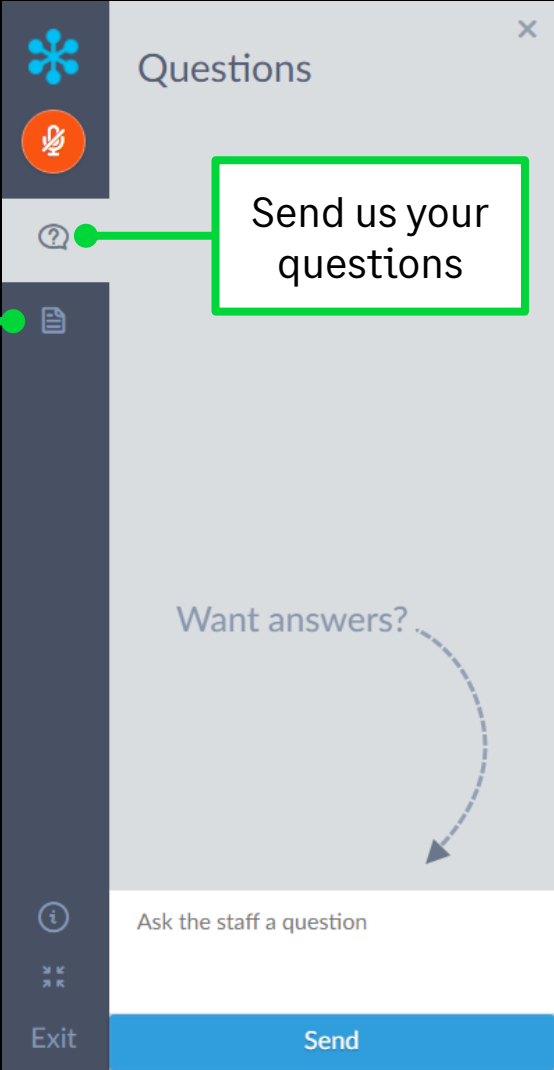
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# Questions

Submit your questions in the Q&A now!

Download a handout

Send us your questions



 This part of the webinar has no sound.

# Thank you!

