

IDEAL SCHOOLS

BOOKKEEPING HOME STUDY EXPERTS

COMPUTERISED PAYROLL

for use with

Sage 50cloud Payroll v29

(Tax Year 2023/2024)

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Published by
Ideal Schools
Glasgow G1 4AG

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RESOURCE REQUIREMENTS

The Sage Payroll package to be used in conjunction with this Study Scheme runs in Microsoft Windows, in this case Windows10. If your Sage Payroll is running in a different version of Windows, your screens may have a slightly different appearance.

In addition to a computer with Microsoft Windows, you will need the following:

Sage 50cloud Payroll v29

External storage media, e.g. Flash drive, writeable CDs, etc. If you backup as instructed, i.e. three times during setup and then after every payroll run you will take about 20 backups.

You will also need a good knowledge of payroll theory.

SAMPLE

STUDY SCHEME OVERVIEW

This Study Scheme is designed to introduce the user to computerised payroll using Sage 50cloud Payroll v29 and to provide tuition to students studying computerised payroll qualifications such as the ICB Level 3 Diploma in Payroll Administration. **The Software licence is for 180 days. Therefore you have 180 days to complete this part of the course before your software expires.**

It is assumed that the user has some experience of the Windows environment and, on the whole, explanation in its use is not given in detail. In addition, knowledge of payroll administration is required.

This Study Scheme is based on a year's payroll in a totally fictitious company called

Gadgets Limited

The name of the company and its employees are fictional. Any similarity with real people or organisations is purely coincidental.

This Distance Learning Study Scheme contains

- Instruction in the routines necessary to carry out a wide range of payroll procedures using Sage Payroll

- Progress Checks:



Printouts against which to check your work. This symbol will be displayed before a Progress Check.

- Tutor Marked Assignments.



This symbol will be displayed before Tutor Marked Assignments. These are intended to be marked by your Tutor.

The Study Scheme is divided into Modules. Students should **BACKUP** their work as instructed AND at the end of each working session. In addition, it cannot be stressed strongly enough that, in a commercial situation, **BACKING UP IS ESSENTIAL.**

Finally, some thoughts before you get started:

- work systematically through the Study Scheme
- read the computer screen
- don't try to go too fast
- BACKUP when instructed to do so
- RESTORE and rework as often as necessary in order to feel comfortable with the procedures involved.

LEGISLATION

Payroll Administrators should be aware of several items of legislation, which can affect the payroll function, and where to obtain further information, if necessary.

National Minimum Wage and Living Wage

Rates vary according to age.

Working Time Regulations (WTR)

The WTR rules that staff cannot be forced to work unlimited hours and sets out requirements for breaks, lengths of shifts, etc.

Pension Auto Enrolment

All businesses, no matter how small, must have a Pension Scheme and must enrol eligible employees, unless they choose to opt out.

Parental Leave Entitlement

Both mothers and fathers have a legal right to leave on the arrival of a new baby and for family "emergencies".

Data Protection Act – 1998

Any organisation holding personal information about employees should be aware of the Data Protection Act. Data Protection law changed on 25 May 2018 following which the **General Data Protection Regulation (GDPR)** applied. The Information Commissioner's Office can be contacted for tools and resources (see contact details below).

Health and Safety at Work etc. Act 1974

Rules apply to employees using computers/VDU's regarding the length of time without a break, eye tests etc.

Further information from:

	Telephone	Web site
HM Revenue & Customs	0300 200 3300	www.hmrc.gov.uk
Department of Employment and Learning		www.delni.gov.uk
Office of the Information Commissioner (formerly Office of the Data Protection Commissioner)	0303 123 1113	www.ico.org.uk
Health and Safety Executive		www.hse.gov.uk
The Pensions Regulator		www.thepensionsregulator.gov.uk
Pensions Advice		www.pensionwise.gov.uk

SETTING UP SAGE PAYROLL

You may already have Sage Payroll installed on your computer; if so, you may ignore this page and go straight to Page x, File Management Checklist.

If, however, you are installing the Payroll software on your computer now, you will be asked for some information. For example, you will be asked for your "Company Name, Address, Tax Office Reference, etc.

In Module 2, we will be setting up all the details relating to our case study company "**Gadgets Limited**". At this stage, therefore, we are providing the briefest of details to enable the setup to be completed.

Company Name: **Gadgets Limited**

Address: **1 High Road
Hightown, Techshire UB1 1AB**

Tax Office Name: **Manchester**
Tax Dist/Ref: **012 OB10001**

Accounts Office Ref: **You can leave this blank – where to enter this can be found in company settings on the HMRC payments tab.**

When this has been entered, click on **OK**.

FILE MANAGEMENT CHECKLIST

You may need to refer to this Checklist when you are instructed to Backup

Sage 50cloud Payroll saves all the information on the hard disk. The reason for backing up your data is for security - if the data becomes corrupt, the computer fails, is stolen or an input error is discovered, you will be able to recover the situation by restoring the backup. In addition for Payroll, backing up enables you to return to a previous payroll run if necessary. It is always, therefore, advisable to backup at the end of your working session, as well as after each payroll run.

This Study Scheme assumes that you will either use a flash drive, writeable CD, or another external storage media.

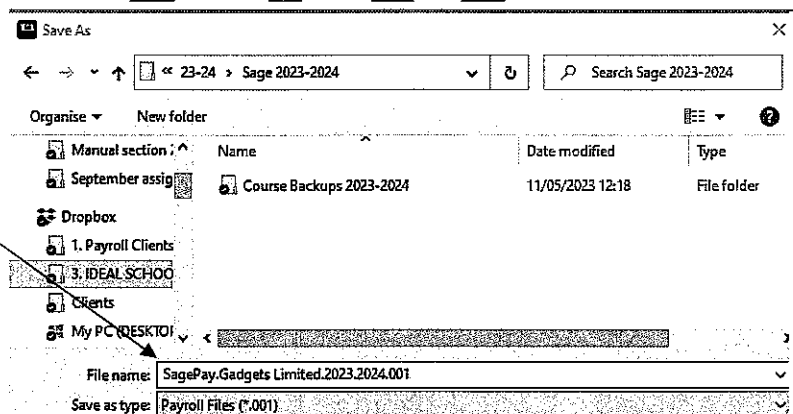
Backing Up your work in the Sage program

Click on **File**
Click on **Backup** The Backup Wizard screen will be displayed.

The History details screen will show you the Backups that have previously been made. Click on **Next**. You will be asked what you want to backup. For the purpose of this Study Scheme, Backup your **DATA Files, RTI Files, Pension Data Files, Document files and JRS Files**. Click on **Next**.

It shows where the backup will be saved.

Click on **Browse** and, down the left hand side, find where you want to save the backup. (In my case I have created a file specifically to the Payroll Course) You will need to make sure the correct drive is shown for the method you are using, i.e. a USB in Drive F.



It will then show you what the Backup Filename will be, amend this to something of your choice that makes it clear what the backup is e.g. **SagePay.Gadgets Limited.2023.2024.001 (i.e. tax year 2023/2024 back up 001)**.

Click on **Save** to return to the Backup Wizard. Click on **Next**.
Read the screen, then click on **Finish**.

That will have backed up your data records on the flash drive or other media.

Restoring your work in the Sage program

To amend mistakes or to a clean backup for a mock or exam you will need back up (Sage2023.2024Setup.001) created later in the course.

Click on **File**, then click on **Restore** and the Restore Wizard will be displayed.

The procedure is then the same as for backing up. Simply follow the instruction on the screen.

STUDY PLAN

By deciding to use a **DISTANCE LEARNING** method of study you have already accepted the responsibility for your learning. This means that you must be reasonably disciplined in your approach, working out a **Study Plan** before you start; you will probably do this in conjunction with your tutor.

The study scheme is split into eight Modules. There are ten Progress Checks (printouts against which to check your work) and six Tutor Marked Assignments. There is a final mock paper to complete at the end of the course.

The first step is to determine how long you can reasonably spare each week for your study. This must be “Quality” study time in a quiet environment.

The Study Plan on the next page can be used as a Record for the dates for completion of each of the Modules and of the TUTOR MARKED ASSIGNMENTS.

You may also find this Record helpful when charting the amount of time you have available for study.

SAMPLE

STUDY RECORD for TUTOR MARKED ASSIGNMENTS

Distance Learning Study Scheme for Level 3 Computerised Payroll

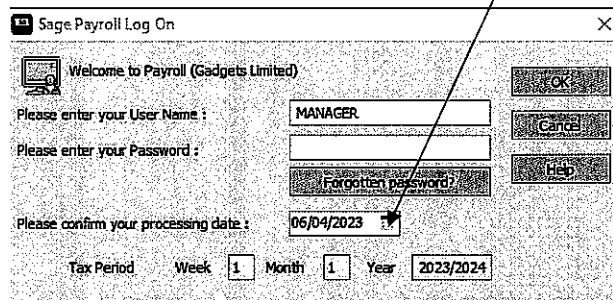
Module		Started	Completed
1	Government Parameters		
2	Company Information		
3	Pay Elements		
4	Employee Details		
5	Processing Pay Tutor Marked Assignment 1 Tutor Marked Assignment 2 Tutor Marked Assignment 3		
6	Further Set Up Considerations		
7	Further Payroll Processing Tutor Marked Assignment 4 Tutor Marked Assignment 5 Tutor Marked Assignment 6		
8	Mock Paper		

THE SAGE PAYROLL DESKTOP

Access your Payroll program.

You will see the Sage Payroll Log On window showing your User Name, Password and Processing Date. Your User Name and Password will be set up on installation and this will vary accordingly.

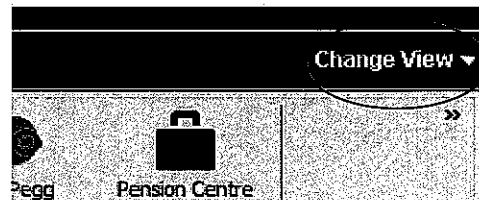
The Processing Date should be highlighted. **This Study Scheme starts on 6th April 2023.** Enter this date now, either by clicking on the Calendar button or by typing it in. If you type it, you can enter it in the form of six digits, i.e. **060423**. You do not need to enter the slashes '/'; the program will do that for you.



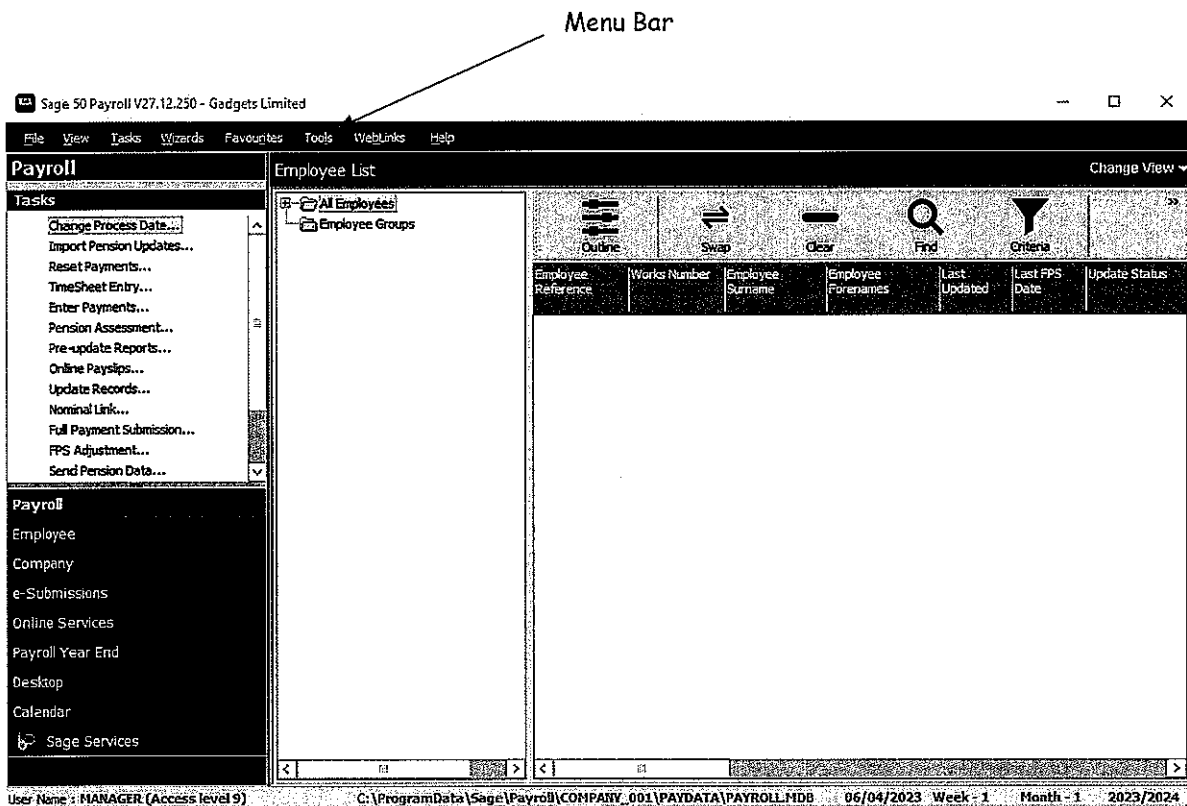
Click OK. You will now be in the main Payroll screen. You may see a screen "Welcome to Sage Payroll"; Read it but to avoid this opening each time you access Sage Payroll, tick the box at the bottom. Finally, **Close**.

You may see a Reminder screen – this is very useful in a real situation and once you have become familiar with computerised payroll, it would be good to look at them in detail. However, at this stage of the Study Scheme, simply click on **Dismiss All**.

Click on **Change View** in the top right hand corner and ensure **Employee List** is ticked in the view selector.



Your Desktop should now look as shown below.



Menu Bar

Navigation Bar

The Sage Payroll Screen (Desktop) is very easy to use, but first you need to understand its various components.

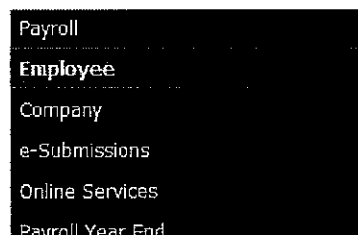
The **Navigation Group** at the foot of the Navigation Bar contains the main Payroll Options, for example:

Company contains the information relating to the Employer, will be used extensively in setting up the Payroll system but then will not be used often on a day to day basis.

Payroll and **Employee** are the options that will be used on a day to day, month by month basis to keep employee records up to date and process the payroll including the Full Payment Submission to HMRC (under the RTI requirements).

e-Submissions contains other RTI submissions, allows the user to send information, or make payments, to HM Revenue & Customs and employees electronically.

Desktop, enables you to select how you want the program to be used. For each, there are **Tasks**.



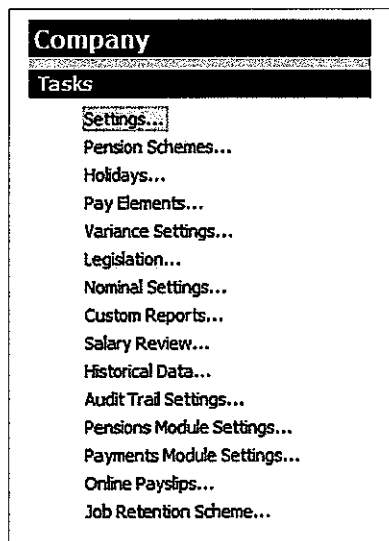
Date, month/week number



Click on the **Company** button.

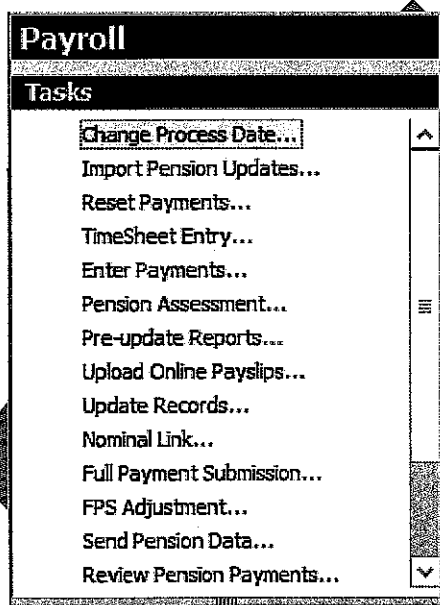
You will see that this offers you the following “Task” options:

SAMPLE



- Settings
- Pension Schemes
- Holidays
- Pay Elements
- Variance Settings
- Legislation
- Nominal Settings
- Custom Reports
- Salary Review
- Historical Data
- Multi-Company Tasks
- Audit Trail Settings
- Personal Module Settings
- Payments Module Settings
- Online Payslips
- Job Retention Scheme

If you then click on the **Payroll** button, you will see a different set of Tasks displayed. You may need to scroll to see them all.



Scroll bar

The horizontal toolbar allows you to search for employees within the program and produce a wide range of reports.



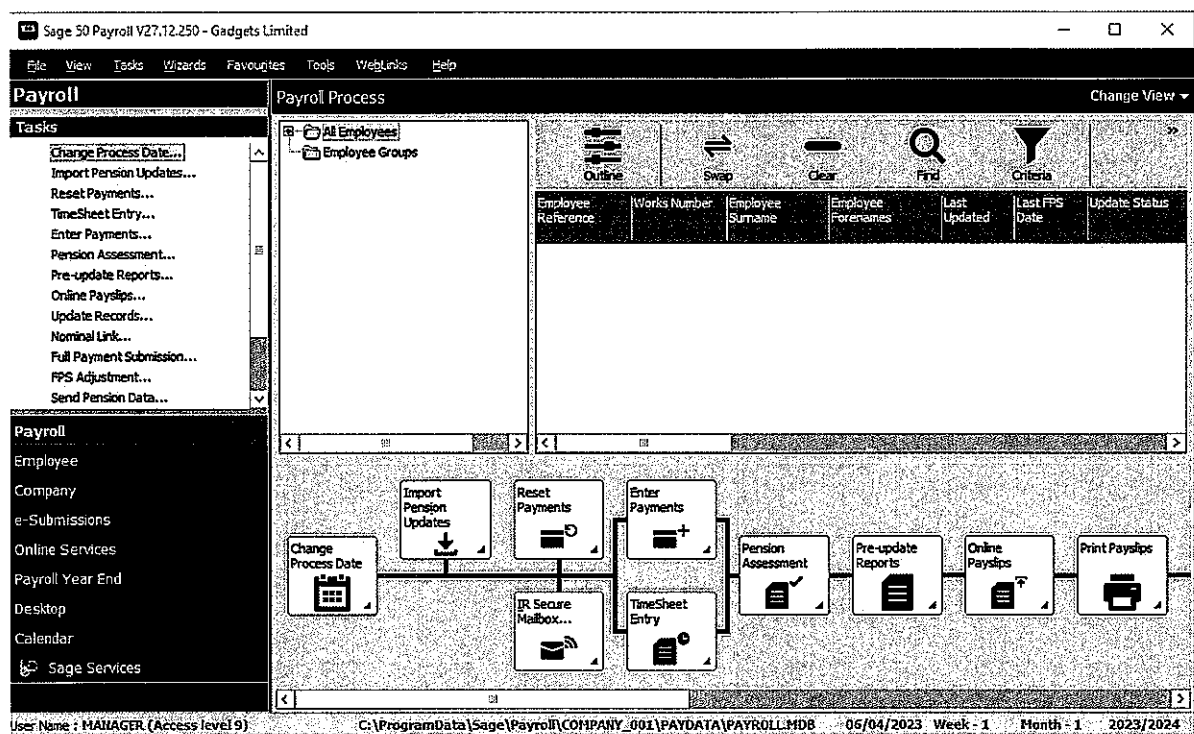
The Employee List will show all the company employees once they have been set up. The best way to familiarise yourself with these sections is to use them, so let's begin.

Earlier, you checked the setting of the View Selector, and the current view is the option that will be used throughout this Study Scheme. However, you should be aware of the other options available.

Click on **Payroll** on the Navigation Bar.

**Change View,
Payroll Process**

You will see a Process Map showing the workflow associated with paying the employees.



Now click on
**Change View,
Dashboard**

Scroll bar

There is currently no data in your system but you will see several areas which will contain key information about Payroll.

As mentioned above, we will revert to the "Employee List" view for the whole Study Scheme:

Click on

**Change View,
Employee List.**

SAMPLE

SAMPLE

Module 1

Government Parameters

SAMPLE

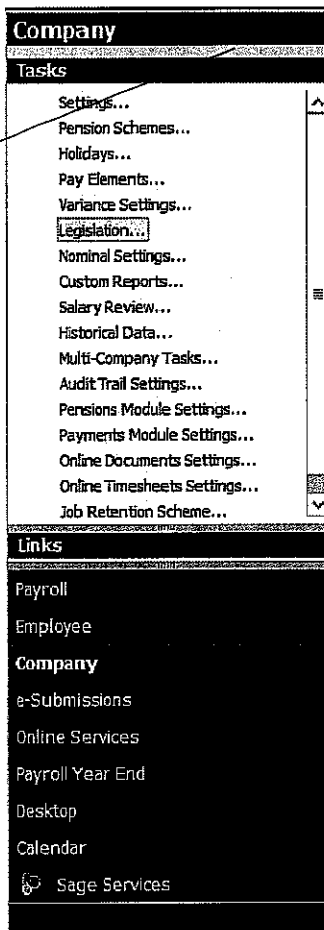
This page is intentionally blank

Sage software utilises Government Income Tax, National Insurance and other Statutory Payment and Deduction figures

As a check of these Government figures is made as detailed in the following pages, if it is found that the figures in the Study Scheme are different to those shown on your screen, change your screen to match the Study Scheme.

The Study Scheme is produced using figures for the Income Tax year **2023/2024**.

Click first on **Company** in the **Navigation group**



Then, click on the **Legislation** in **Tasks**

Then proceed with the following checks and/or procedures for making changes

Incidentally, Sage Users who take out Sage Cover (the Sage support scheme) can download the annual changes ready for the beginning of the new Tax Year. They would not need to manually make changes to all the following screens.

UNIT 1

CHECKING THE INCOME TAX PARAMETERS

Income Tax Bands:

In the Tax Year 2023/2024, there are three rates of income tax: 20%, 40% and 45%.

Each year in the Budget, the Chancellor sets the amount of income on which each rate of income tax is payable.

In order that the computer can calculate the correct amount of income tax to deduct, these income bands must be correct.

You

should already have the **PAYE** window on your screen.

This is the **Tax Band widths and Rates** window. Look at the information it contains. These are the rates that are applicable at 6th April 2023; therefore, ensure your screen appears as below.

Legislation Settings - 2023/2024

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

Region: Rest of the UK

Tax bandwidths and rates effective from: 06/04/2023

Bandwidth	From	To	Rate (%)	Basic Rate Band
37700.00	0.01	37700.00	20.00	Yes
87440.00	37700.01	125140.00	40.00	No
excess	125140.01	excess	45.00	No

Number of Tax Bands: 3

Emergency Tax Code: 1257L

Regulatory Deduction Limit %: 50

Check for online legislation updates: ☒

Prompt before performing check: ☒

The Legislation Settings shown are for the 2023/2024 Tax Year

OK Cancel

If changes need to be made, please get in touch with your tutor you may have downloaded the wrong version and need to update it.

In the workplace, payroll software must always be up to date in order that the correct deductions and pay are made and Sage supports automatic online legislation checks (this is the default).

However, for the purpose of this Study Scheme, you need the software to remain unchanged, so un-tick the "Check for online legislation updates" box.

Does your screen now look like this?

Legislation Settings - 2023/2024

X

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

Region: Rest of the UK

Tax bandwidths and rates effective from: 06/04/2023 [Add Date] [Edit Date] [Delete Date]

Bandwidth	From	To	Rate (%)	Basic Rate Band
37700.00	0.01	37700.00	20.00	Yes
87440.00	37700.01	125140.00	40.00	No
excess	125140.01	excess	45.00	No

Number of Tax Bands: 3 [v]
Regulatory Deduction Limit %: 50 [v]
Emergency Tax Code: 1257L

Check for online legislation updates ☐
Prompt before performing check ☒

The Legislation Settings shown are for the 2023/2024 Tax Year

[OK] [Cancel]

When you have checked the figures, do not click 'OK' later in the Setup Scheme, when you have checked all the sections shown on the tabs, you will be able to save them all at once (using the 'OK' button).

UNIT 2

CHECKING THE NI BANDS and RATES

NI Bandwidths

National Insurance Contributions are deducted from all employees (unless they are above pension age) who earn at least the **Primary Threshold**, which is £242 per week in the 2023/2024 tax year. In addition, for all employees, including those above pension age, who earn above the **Secondary Threshold**, which is £175 per week in the 2023/2024 tax year, the employer must pay a contribution.

Employees' contributions are paid on earnings up to the Upper Earnings Limit (UEL), which is £967 per week in 2023/2024 at one rate and at a lower rate above the UEL. The Employer's contribution is at the same rate on all earnings above the Secondary Threshold.

The earning bands must now be set up or checked.

Click on the tab for **NI Bands and Rates**. The screen should look as follows:

Legislation Settings - 2023/2024

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

NI bandwidths and rates effective from
06/04/2023
for
Employees

Earnings Bands

Earnings Limit	Weekly	Monthly	Yearly
Lower Earnings Limit	123.00	533.00	6396.00
Secondary Threshold	175.00	758.00	9100.00
Primary Threshold	242.00	1048.00	12570.00
Freeport Upper Secondary Threshold	481.00	2083.00	25000.00
Upper Earnings Limit	967.00	4189.00	50270.00

Rates

National Insurance Category: A - Standard Rate Contributions

Weekly Earnings	Monthly Earnings	Yearly Earnings	Employer Rate	Employee Rate
123.01 - 175.00	533.01 - 758.00	6396.01 - 9100.00	0.00	0.00
175.01 - 481.00	758.01 - 2083.00	9100.01 - 25000.00	13.80	N/A
242.01 - 967.00	1048.01 - 4189.00	12570.01 - 50270.00	N/A	12.00
481.01 - 967.00	2083.01 - 4189.00	25000.01 - 50270.00	13.80	N/A
967.01 and over	4189.01 and over	50270.01 and over	13.80	2.00

Employment Allowance

Annual Limit: 5000.00

Apprenticeship Levy Settings

Edit

Termination Payment

Class 1A: 13.80

The Legislation Settings shown are for the 2023/2024 Tax Year

OK
Cancel

The top half of the screen shows the Earnings Bands.

NI Categories:

National Insurance Contributions fall into several categories, which reflect different situations for national insurance.

The category that is applicable to an employee depends upon age.

Each category is denoted by a letter, e.g. A, B etc., which is shown on the lower half of the screen.

Category A is always used unless official advice is received to the contrary.

Legislation Settings - 2023/2024

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

NI bandwidths and rates effective from 06/04/2023 for Employees

Earnings Bands

Earnings Limit	Weekly	Monthly	Yearly
Lower Earnings Limit	123.00	533.00	6396.00
Secondary Threshold	175.00	758.00	9100.00
Primary Threshold	242.00	1048.00	12570.00
Freeport Upper Secondary Threshold	481.00	2083.00	25000.00
Upper Earnings Limit	967.00	4189.00	50270.00

Rates

National Insurance Category: A - Standard Rate Contributions

Weekly Earnings	Monthly Earnings	Yearly Earnings	Employer Rate	Employee Rate
123.01 - 175.00	533.01 - 758.00	6396.01 - 9100.00	0.00	0.00
175.01 - 481.00	758.01 - 2083.00	9100.01 - 25000.00	13.80	N/A
481.01 - 967.00	2083.01 - 4189.00	25000.01 - 50270.00	13.80	N/A
967.01 and over	4189.01 and over	50270.01 and over	13.80	2.00

Employment Allowance
Annual Limit: 5000.00

Apprenticeship Levy Settings Edit

Termination Payment
Class 1A: 13.80

The Legislation Settings shown are for the 2023/2024 Tax Year

OK Cancel

Category A: The figures shown here are the percentage rates for Category A National Insurance contributions.

If necessary, change those on your screen so that they match. (It would be very rare you would need to do this - speak to your tutor first),