

# Before outsourcing your payroll to your accountant- 5 things to consider?

**If you already use the services of your accountant to process your payroll or are considering using them perhaps a few frugal questions to ask may benefit your business?**

**Read our 5 things to consider first!**

## 1. Accountants are not 'Jack of all trades'

Accountants are accountants - They are experts in accountancy and business tax. Generally they will not describe themselves as book keepers, payroll experts or business management gurus. Ensure your accountant has a payroll and auto enrolment specialist employed before signing the contract!



## 2. Accountants love money – especially yours

Creative accounting is great when it works in your favour, so ask for a breakdown of payroll services and costs in advance – Also watch out for hidden charges that could creep out and bite you before you hit your auto enrolment staging date.

## 3. Payroll by numbers

Smaller accountancy practices generally only process payroll for organisations with a handful of employees and a few directors. Their experience may not lend itself to running payrolls for organisations that are multi-site; with complex cost center reporting or differing revenue streams. So before engaging the services of your accountant, ask them to demonstrate their experience running payrolls of a similar portfolio to yours and their auto enrolment exposure to date. For complete peace of mind check out their [case-studies](#).

## 4. Accountants may love numbers, but they may not love processing yours

Payroll is periodic, repetitive, time-consuming and never-ending. Some accountants may view their payroll department as a loss-maker which could result in unknowledgeable staff and slow service delivery. Ask your accountant who your payroll contact will be, how to contact them, what hours they work, what your lead times are and demand a complete breakdown of your full [payroll service](#).

## 5. Is there a smarter way to run your payroll?

It is worth comparing a few options before settling on the best strategic long-term payroll solution for your business. For instance, if you have only a few employees the [HMRC Basic PAYE Tools](#) is a free and easy to use option which could help you bring your payroll in-house. Alternatively, outsourcing your payroll to a [payroll specialist](#) will provide you with a solution that can grow with your business and of course are experts in payroll and can fully manage your auto enrolment requirements.

**For further information visit**

[www.payrollsolutionsltd.co.uk](http://www.payrollsolutionsltd.co.uk)

## 6 questions to check that your payroll provider is auto enrolment and workplace pension ready:

1. Can your provider reassure you their payroll bureau software has been successfully upgraded to include an auto enrolment module?
2. Will your provider assess your workforce and provide you with a pre-staging assessment in advance of your staging date?
3. Can your provider confirm they can match your pension provider's requirements for data import?
4. Will your provider manage all 'opt-ins', 'opt-outs' and postponements on your behalf?
5. Will they retain the history of all communications for future reference on your behalf?
6. What will it cost you for this extra auto enrolment service?

These are just a few questions - we're sure you have more. If you wish to understand what service we are providing our clients [click here](#).

### Auto Enrolment Lore: 5 Myths revealed

**Myth 1. Auto enrolment doesn't affect employers with less than five members of staff.**

**Reality:** Starting from October 2012 all employers (with one worker or more) will have to comply with the new law and automatically enrol all eligible workers into a qualifying workplace pension scheme.

**Myth 2. You can make it easier for yourself by not offering a workplace pension to your employees**

**Reality:** All employers must comply with the new law. Automatic enrolment will be rolled out from October 2012, starting with the largest employers. Employers must not:

- discriminate in favour of job applicants who indicate they are prepared to opt out;
- encourage workers to opt out of a qualifying pension scheme; or
- treat a worker unfairly or put them at a disadvantage because of automatic enrolment.

**Myth 3. Auto enrolment is a one off admin exercise and then it will all fizzle out.**

**Reality:** Qualifying employees and those who choose to self opt-in or opt-out will need managing at each pay period going forward from your staging date. You must maintain records to prove compliance. You must continue to automatically enrol/monitor and communicate with workers and your pension scheme provider and are legally responsible for your ongoing workplace pension scheme provision.

**Myth 4. The DWP/Inland Revenue/pension provider/payroll provider/payroll software company/my accountant will do all of this for me.**

**Reality:** There isn't a coordinated central '*hand-holding*' process to make sure employers are ready come their staging date. All employers are responsible for sourcing and setting up their appropriate pension schemes.

Many existing company pension schemes are not automatic enrolment compliant. Also some pension providers are closing existing schemes or worse still refusing to assist organisations if not approached a minimum of six months before their staging stage!

From the first pay run after your staging date, contributions must be made into an appropriate scheme.

**Myth 5. Auto enrolment will not cost my business anything, because it's only my employees who will contribute.**

**Reality:** Broadly and loosely speaking by 2017 employers may find themselves contributing approximately 3% of their monthly/weekly payroll bill into their workplace pension scheme - alongside their employees contributions.

**For further information call**

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