NHS ELECTRONIC STAFF RECORD

ESR-NHS0340 ESR PAYROLL PROCESSING GUIDE

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1.3. DISTRIBUTION

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3. INTRODUCTION

3.1. PURPOSE OF THIS DOCUMENT

The purpose of this guide is to assist Employing Authorities in completing the various tasks required throughout the month to complete payroll processing and pay staff accurately and on time.

3.2. OVERVIEW

ESR provides the ability to make accurate and timely salary/wage payments to staff. It is an integrated system therefore appropriate details of staff and their assignments are accessible to users of both the Payroll and HR functionality of the system, thereby eradicating duplication of data entry and ensuring consistency. Data specific to payroll are recordable, such as Tax and National Insurance details, allowances and deductions, and pension arrangements. ESR holds all the relevant pay grades and rates for allowances and deductions whilst allowing local flexibility where required. The NHS is a 24 hour, 7 day a week service and as a result many staff are in receipt of variable premium payments which can be fed directly into ESR in a number of ways such as via Interfaces with Time and Attendance Systems.

A particular feature is Date Tracking, whereby payments for each staff member can be viewed or changed both in the past or into the future. This enables backdated or post-dated changes to be implemented very simply and quickly, and in the former case, for backdated payments to be made automatically using the Retro Pay feature.

The reporting module allows control and audit of all aspects of the payroll process, and produces the mandatory information required for all relevant internal and external bodies.

Payroll processing within ESR requires that the due processes and reports are run in a given order to ensure that payrolls are processed accurately and on time; with this in mind this payroll processing guide has been developed.

Benefits
- ESR holds the full range of Agenda for Change and Medical and Dental rates of pay and allowances, together with a full set of national deductions elements.

- The Date Track facility enables the calculation of future-dated and backdated changes.

- The Retro Pay facility enables arrears dating back over any period to be paid within the normal payroll cycle.

- Interfaces with third party Time and Attendance Systems and travel expenses systems.

- Flexibility over input of time sheet information – Batch Input facilities or Web ADI to allow mass input of data.

- A Full suite of Interfaces with NHS Pensions covering New Joiners, Leavers, Changes and Year-End.

- Inbound and outbound XML interfaces with HMRC enabling Real Time reporting as well as updating of tax codes and Student/Postgraduate loans.

- Facility to hold both default and alternative pension schemes for Auto Enrolment purposes.

- The Quick Pay facility enables an on-screen "gross to net" calculation for any employee, for example to preview the effect of any change to rates or circumstances.

- The Retry facility allows for the recalculation of payments to individuals rather than a full re-run of the payroll – which reduces the number of queries and need for supplementary payments.

- Four levels of security control access to payroll information and facilities.

- Integration of Payroll and HR functionality reduces the burden of data entry and improves data accuracy and consistency.

4. PAYROLL PROCESSING GUIDE

ESR provides a large number of reports and processes in order to enable organisations to process their payrolls. There are many ways of running a successful payroll; this will depend upon how data is gathered locally and will be subject to each organisations local audit requirements for checking and authorisation, and the ESR Central Team cannot dictate how these non-system requirements should be applied. The purpose of this guide is to provide an example based on experience gained from system usage and following feedback from NHS Payroll Providers.

This document is not intended as a full guide to running payrolls. Full details of each report and process can be found in the ESR User Manual by clicking on the following link: ESR User Manual

This guide will concentrate on the Monthly payroll cycle only. Within ESR Weekly Payroll processes are identified and these can be run during core time. With the Monthly Payrolls, there are larger numbers of assignments being paid and therefore some processes are blocked from running during the day in order to maximise system performance, these are detailed in the Monthly ESR Payroll Processing Critical Path below.

Each Payroll Provider is expected to prepare their own processing schedule in order that they meet the payment and Statutory deadlines. Users should build contingency into the BACS processing to ensure they submit at least 4 banking days before pay day and submit their FPS on the same day or the day after and by Pay Day at the very latest.

4.1. ROLLBACK VS RETRY

Some organisations use the Rollback facility each month. They run the payroll early and produce reports and check the results, then roll back the payroll run carry out any further input and then re-run the payroll again. This then requires further checking as there may have been a change to individual assignments, resulting in the whole payroll needing to be reviewed again. There will then be a need to retry the calculation of individual assignments. This process can also lead to Payroll Departments requesting Managers and HR Departments to limit the input of changes from the start of the first run all the way through to the final run, or in some cases input is suspended for given periods of time.

Retrying individual assignments means that you are only changing the payroll results of those you have selected whereas a Rollback affects the entire payroll. Retrying means there is more time for input and the payroll checking is only undertaken once the payroll run has been completed. The advantages of this are those using Manager Self Service and/or have HR Departments inputting information can have more time to process their data.

Those with aggregated Assignments for Tax and NI across payroll frequencies use Rollback to avoid interlocks. In such cases it is very hard to avoid rolling back the Monthly run.

The only restriction ESR puts on input of data for Managers and HR Departments is when the payroll processes are being run. As a minimum this would be during the final payroll run, processing the BACS file and FPS. As there are many different working practices, it is a local decision as to how much restriction would be required, and not something that the ESR Programme can advise on.

When rolling back a number of processes care needs to be taken that you roll back the latest process first.

4.2. PAYROLL CALENDAR

The Payroll Calendar should be checked at the beginning of each Tax Year to ensure that correct dates are held. For expenditure purposes it is necessary to check the Accounting Periods for the Tax Year are correct prior to running any payrolls. They are automatically populated in line with the Statutory Calendar and can be amended locally if required. Failure to do so will affect financial reporting and will impact upon General Ledger reporting.

The Payroll Calendar for weekly payrolls should be checked to ensure that it is generating the correct weekly pay day. If you are overriding these then you could end up with balancing issues at year-end.

4.3. CHECKING FOR ERRORS AFTER A PROCESS IS RUN

Whenever a standard process is run it is imperative that the Payroll Department checks the log to ensure that the process has completed without errors as even when processes state that they are completed, they might have errors within the run.

This can be done by viewing the Payroll Process Results (Folders>Payroll Process Results) to check the completion status of the run and to ensure there are no errors. Errors can be viewed by clicking on the Assignment processes button and searching for assignments with a status of Error using the standard ESR search functionality. Messages advising what has caused the error can then be viewed for each assignment by clicking on the messages button. Once the error has been corrected these assignments will be processed in the Retry process and therefore there is no need to mark any which were in error for Retry. Any assignments that were in error should be checked after the Retry run.

5. MONTHLY ESR PAYROLL PROCESSING CRITICAL PATH

There are a number of reports within ESR which can be used to aid the completion of payroll however not all of these reports are essential, or part of the Monthly ESR Payroll Processing Critical Path. The following Critical Path has been produced following the model office approach and assuming the use of Self Service/HR Department input.

The table below lists the processes and reports which must happen in order to have a complete and successful payroll at the end of the month. Many of those listed have dependencies on previous processes and therefore it is critical that users pay particular attention to the order in the table. It is recognised there will be local variations of reports to be run; different interface feeds to be applied; some organisations may run a payroll then roll it back and rerun at a later date, others will run the payroll and use the Retry option.

5.1. CRITICAL PATH

Grouping	Name	Type	Manual or scheduled	Format	Timing
Start of Period	Check Monthly Payment Dates on Payroll Calendar	Screen	Manual	N/A	N/A
	NHS Bank Staff Increment Process (Monthly)	Request	Scheduled	Excel	Overnight
	NHS Pre-Increment Report Process (Monthly)	Request	Manual	Excel	Daytime
	Start of Period request set: NHS Pre-Increment Report (Monthly) NHS Increment Process (Monthly) NHS Post Increment Report NHS OSP Batch Process (Monthly) NHS Bank Staff Increment Process (Monthly) NHS Bank Inactivation Concurrent Process	Request Set	Manual	N/A	Overnight
	Pre and Post Increment Comparison	Screen	Manual	N/A	N/A
	NHS Diary Reminder Report	Request	Manual	Excel	Daytime
	NHS Update NI Category Process (Monthly)	Request	Manual	N/A	Daytime
	NHS Maximum SSP Weeks Report (Monthly)	Request	Scheduled	Excel	Overnight
	Statutory Sick Pay Report	Request	Manual	Text	Daytime
	NHS IAT Operations Tracking Report	Request	Manual	Excel	Overnight

Regular reports/ Processes	NHS HMRC XML Files Upload	Request	Manual	N/A	Daytime
Repeated **As required**					
	Change Event Log Dashboard	BI	Manual	N/A	Daytime
Pre- payroll Processing	NHS Generic Absence Inbound Interface	Request	Schedule	N/A	Overnight
	NHS Generic Attendance Inbound Interface	Request	Schedule	Text	Overnight
	NHS Element Batch Details Report	Request	Manual	csv	Daytime
	Validate Batches	Screen	Manual	N/A	Daytime
	Transfer Batches	Screen	Manual	N/A	Daytime
	Ensure Batch Transfer is complete	Screen	Manual	N/A	Daytime
	NHS Retro-Pay (Monthly)	Request	Schedule	N/A	Overnight
	Check NHS Retro Pay Process has completed without errors	Screen	Manual	N/A	Daytime
	NHS Impending Retropayments Report (Monthly)	Request	Manual	Excel	Daytime
	Create Assignment Set for Negate Retro if required	Screen	Manual	N/A	Daytime
	NHS Negate Retro Pay (Monthly)	Request	Manual	N/A	Daytime
	Open Sickness Absences Report	Request	Manual	Excel	Daytime
	NHS Assignments Unavailable for Processing (Monthly)	Request	Manual	Text	Daytime
	NHS Pre Payroll Exception Report – Restricted (Monthly) Old	Request	Manual	Excel	Daytime
	Payroll Exceptions Management Functionality – Pre Payroll Exceptions	Screen	Manual	N/A	N/A
	Employees by Element folder - report for NI entries	Folder Report	Manual	Screen	Daytime
	NHS BIK Validation Report	Request	Manual	Excel	Daytime
Payroll Run Preparation & result checking	Check for quick pays and remove	Screen	Manual	N/A	Daytime
	NHS Payroll Run (Monthly)	Request	Schedule	N/A	Overnight
	NHS Copy Pay Advice	Request	Schedule	PDF	Overnight
	NHS Generate Payslip Data Archive (Monthly) – auto	Request	Schedule	N/A	Overnight

	generated if NHS Copy Pay Advice has been run				
	NHS Pensions Automatic Enrolment Process – Run as part of Payroll Run	Request	Schedule	N/A	Overnight
	NHS Pensions Rebanding Assessment Process	Request	Schedule	N/A	Overnight
	NHS BIK Late Leavers Adjustment Process – use if Payrolling Benefits as part of Payroll Run	Request	Schedule	N/A	Overnight
	Review Payroll Process Results for Errors	Screen	Manual	N/A	Daytime
	NHS Pension Band Allocation Report	Request	Schedule	N/A	
	Minimum Wage Tab	BI	Manual	Excel	Daytime
	NHS Detail Element Report - Negative Net Pay	Request	Manual	Excel	Daytime
	NHS Pensions Payment Exceptions Report	Request	Schedule	Excel	Overnight
	NHS New Joiners Report	Request	Schedule	Excel	Overnight
	NHS Leavers Report	Request	Schedule	Excel	Overnight
	NHS Payroll Checking Report – Permanent Changes	Request	Schedule	Excel	Overnight
	NHS Payroll Checking Report – Non Recurring Entries	Request	Schedule	Excel	Overnight
	NHS Payroll Checking Report – Absence Entries	Request	Schedule	Excel	Overnight
	NHS Payroll Checking Report – Travel Expenses	Request	Schedule	Excel	Overnight
	NHS Payroll Message Report (Monthly)	Request	Schedule	Excel	Overnight
	Net Pay Comparison Tab	BI	Manual	Excel	Daytime
	NHS Detail Element Report - Recovery Advance NR NHS	Request	Manual	Text	Daytime
	NHS RTI Validation Report Process (Monthly)	Request	Manual	Excel	Daytime
	NHS Gross To Net Summary Report (Monthly)	Request	Manual	PDF	Daytime
	NHS Payroll Exception Report (Monthly)	Request	Manual	Text	Daytime
	Payroll Exceptions Management Functionality- Post Payroll & RTI Exceptions	Screen	Manual	N/A	N/A
	Check for quick pays and remove	Screen	Folder	N/A	Daytime

Payroll run and post run processing	NHS Rollback Run (Monthly) (optional if not using Retry process). If the NHS Generate Payslip Archive has run, this will need to be rolled back before the Payroll is rolled back	Request	Manual	N/A	Daytime
	Mark Payroll for Retry (optional if not rolling back), this needs to be done before retrying the Payroll	Request	Manual	N/A	Daytime
	NHS Retry Payroll Run (Monthly)	Request	Manual	N/A	Daytime
	Check Run has completed without error	Screen	Manual	N/A	Daytime
	Net Pay Comparison Tab	BI	Manual	Excel	Daytime
	NHS Detail Element Report - Negative Net Pay NHS	Request	Manual	Text	Daytime
	NHS Employee Run Results Summary Report (GB)	Request	Manual	Excel	Daytime
	NHS Detail Element Report - Recovery Advance NR NHS	Request	Manual	Text	Daytime
	NHS RTI Prepayments and XML FPS Process (Monthly). These 2 processes can be run independently if required	Request	Manual	N/A	Daytime
	Check that the Prepayments and XML FPS processes have completed without errors	Screen	Manual	N/A	Daytime
	NHS Gross To Net Summary Report (Monthly)	Request	Manual	PDF	Daytime
	NHS GTN Assignment Detail Report (Monthly)	Request	Manual	Text	Overnight
	NHS Monthly Period End request set: NHS Gross To Net Summary Report (Monthly) NHS Periodic Payment Summary Report NHS Employee Run Results Summary Report (GB)	Request Set	Manual	N/A	Overnight
	Check FPS Tax & NI Balances - this Period and Cumulative	Manual	Balance	Excel	Daytime
	NHS BACS (Monthly)	Request	Manual	N/A	Daytime
	NHS BACS Report	Request	Manual	Excel	Daytime
	NHS Cheque Report (Monthly)	Request	Manual	Text	Daytime
	NHS Cheque Writer (Monthly)	Request	Manual	Text	Daytime
	NHS P45 Process (Monthly)	Request	Manual	N/A	Daytime
	Check P45 process completes without error	Screen	Manual	N/A	Daytime

	NHS Submit P45 Report – P45's can be printed locally or submitted to Print Provider	Request	Manual	PDF	Daytime
	NHS Payroll BACS File Transfer (Monthly)	Request	Manual	N/A	Daytime
	BACS Transfer Confirmation Received	E mail	Manual	N/A	N/A
	NHS Pay Advice (Monthly)	Request	Manual	N/A	Daytime
	NHS Complete Payslip Data Archive (Monthly)	Request	Manual	N/A	Daytime
	HMRC RTI FPS File Transfer to HMRC	HMRC Transmissions	Manual	N/A	Daytime
	Check BACSTEL Account to confirm values payment dates etc.	BACSTEL	Manual	N/A	Daytime
	NHS Costing (Monthly)	Request	Manual	Excel	Daytime
	Check Costing run completes without error	Screen	Manual	N/A	Daytime
	NHS GL Interface (Monthly)	Request	Schedule	N/A	Overnight
End of Period Activity	NHS Monthly Summary for Pension Schemes	Request	Manual	Text	Overnight
	NHS Third Party Element Listing Report – use for Court Orders etc.	Request	Manual	Text	Daytime
	NHS DEA Payment Schedule (Monthly)	Request	Manual	Text	Daytime
	NHS Union Deductions	Request	Manual	Text	Daytime
	NHS Local Pension Contributions Report	Request	Manual	Excel	Overnight
	Balance all pay overs	Manual steps			
	NHS Mass End Assignment (MEA) Process - Report Mode	Request	Manual	N/A	Daytime
	NHS Mass End Assignment (MEA) Process - Update Mode	Request	Manual	N/A	Daytime
	NHS RTI EPS Create Process	Request	Manual	N/A	Daytime
	HMRC Transactions > Employer Payment Summary Screen	HMRC Transactions	Screen	N/A	Daytime
	NHS RTI EPS XML Process	HMRC Transactions	Screen	N/A	Daytime
	GB Apprenticeship Levy Cost Sheet	Request	Manual	Excel	Daytime
	NHS RTI Year To Date Reconciliation Report	Request	Manual	Excel	Daytime

	Complete balancing spreadsheets for Tax, NI Pensions, etc. ready for pay over				

6. ESR MONTHLY CRITICAL PATH ANALYSIS IN DETAIL

6.1. START OF PERIOD

Check Monthly Payment Dates

It is recommended good practice to check the Monthly Payroll Calendar at the beginning of the month and before submitting your payroll run and Pre-Payments processes. This can be found in Payroll Super Administration by going into Payroll and selecting Payroll Description, once in the form click on period dates button. The relevant period should then be selected.

NHS Bank Staff Increment Process (Monthly)

This process updates the incremental date to the current year or, upon completion of 488 hours for bank workers thereafter where a proposed incremental date exists. Some organisations do not use the 488 hours rule and provided they use the correct setting on the assignment they do not have to use this process.

NHS Pre-Increment Process (Monthly)

This report displays assignment records which are due an increment during the period selected in the parameters when running the report. The report is provided to enable checking to ensure that all of the assignments listed are entitled to an increment prior to running the increment process. If any changes are required they can be made at this stage and the report re-run to ensure the changes will be included/excluded from the increment process.

Start of Period Request Set for:

- **NHS Pre-Increment Report (Monthly)**
  This report details the proposed increments for the period.

- **NHS Increment Process (Monthly)**
  This will uplift the grade steps for the assignments which have appeared on the Pre-Increment report.

- **NHS Post-Increment Report Process (Monthly)**
  This report details the changes to grade step points that have taken place on assignments as a result of the increment process.

- **NHS OSP BATCH Process (Monthly)**
  This Process refers to the employee's sickness entitlement and calculates the relevant elements due for the current period for open ended absence records. Once run, if an open ended sickness absence is end dated the system will automatically calculate adjustment entries.

- **NHS Bank Staff Increment Process (Monthly)**

  This process updates the incremental date to the current year on the 12 month

  anniversary or, upon completion of 488 hours for bank workers thereafter where a

  proposed incremental date exists.

- **NHS Bank Inactivation Concurrent Process**
  This process marks bank assignments who have not been paid in the last 17 weeks (4 months) as inactive.

NHS Pre and Post Increment Comparison Screen

This functionality will compare the increment process results with the pre-increment report and identify any differences.

NHS Diary Reminder Report

This report identifies diary reminders relevant to the pay period.

NHS Update NI Category Process (Monthly)

This process updates the NI Contribution Rate for age related changes, such as employees reaching the age of 21. This should be run in validate and commit mode.

NHS Maximum SSP Weeks Report (Monthly)

This report details those employees who are nearing the maximum number of SSP weeks payable and is used to notify employees of the ending of SSP.

Statutory Sick Pay Report

This report allows you to identify those employees whose earnings are too low for SSP so that you can issue the relevant notification to them. Use the previous periods start date to the end of the current period.

6.2. REGULAR REPORTS AND PROCESSES

NHS IAT Operations Tracking Report

This report will pick up any IAT's processed in the date period input. It should be run overnight to pick up the latest days IAT activity.

NHS HMRC XML Files Upload

ESR will automatically trawl HMRC for Student Loans, Tax Code Changes and Notification files. These files will be made available by PAYE reference. This process allows you to validate and process the changes.

The HMRC Transactions screen should be checked to ensure that any changes that cannot be applied are cleared, and the rejection should be notified to the Employers Helpline in order that HMRC can amend their records. Failure to action tax code changes could result in penalties being levied by HMRC. It is advisable to run this regularly throughout the period and to monitor the output.

Change Event Log Dashboard

This BI Dashboard incorporates a Change Event Log and Date Track Changes and Highlight Reports which will identify changes made to individual employees and assignments. These reports should be used on a regular basis to track changes being made by HR, Manager Self Service or by Employee Self Service.

6.3. PRE-PAYROLL PROCESSING

NHS Generic Absence & Attendance Inbound Interface files

Where Organisations use Third Party Time and Attendance (T&A) or Travel and Subsistence systems, information can be transferred via interfaces into ESR, which provides an easy update of temporary variations to ensure correct payment of employees. This process allows you to select the relevant files for Absence and hours as well as mileage to feed into ESR.

NHS Element Batch Details Report

This report shows the elements that have been entered via the Batch Element entry (commonly known as Web ADI or load element lines) or Data Capture process and can be run using various parameters i.e. Batch name, Pay period, Batch created by etc. The report shows all the elements entered in the batches which meets the criteria in the report parameters at the time of requesting. The report can be grouped by element or by employee.

Its purpose is for checking input early in the payroll cycle process, to identify keying errors and therefore take the appropriate corrective action prior to payroll processing and remove the need to check temporary input on the payslips. This would generally be run during core hours, however in certain circumstances it should be run outside core hours if the user is expecting a high volume of output i.e. reporting on several batches.

Care should be taken when loading recurring elements that you do not ask for correction to the element as this will go back to the start of the element and may impact on retro processing times. Changes should be done by selecting Update on these items.

Validate Batches

This process checks all of the element entries made in the batch to ensure that they are allowable for the assignments that they have been entered for. Where there are entries which have been entered for assignments that are not entitled then the validation process will finish with a status of ERROR. This can be seen on the batch header or the batch summary screen. Users must review the batch entries in error to make the necessary amendments to the batch. Once errors have been reviewed/corrected the batch should be validated again to ensure all of the necessary corrective action has taken place. This process should be repeated until the status of the batch is VALID.

Transfer Batches

Only Valid batches should be transferred. Once a batch is valid it can be transferred, this means the entries in the batch will be posted to the appropriate assignment and period as per the entries in the batch. The batch status on the header should read TRANSFER once the batch has been transferred successfully. There is a further check required; users should go to the Payroll Process results which can be found via Folders to ensure that the status of the Batch is complete. Incomplete batch processes must be investigated. Assignments in error can be found by clicking on the Assignment Process button in the Payroll Process results form.

See the above comment re recurring entries, take care not to select correction unless you really do want to replace from day 1. This will impact upon retro pay processing and is likely to cause long running of the process for all retro runs going forward.

Ensure Batch transfer is complete

Check the batch logs to ensure that all batches have completed without error. It is strongly recommended that you ensure all expected batches from T&A and Mileage systems are transferred and complete correctly without error.

NHS Retro Pay (Monthly)

This process combines the following:

- **Retro Notifications** – this selects all Assignments that have had a retro event since the last time the process was run and groups the results into Assignment Sets, based on the on the effective date of the change.
- **Retro Pay by Element** – this process runs for all Assignment Sets from the earliest effective date of change until the current payroll period.

The NHS Retro Pay (Monthly) calculates the arrears due from retrospective changes made in ESR up to the date entered in the parameters. It is expected that this process is only run **once** per pay period, it should therefore not be scheduled to run until all period processing is complete and before the payroll is run.

Arrears are only calculated for periods where there has been a payroll processed in ESR i.e. from go live onwards. An arrears element is created for each element which requires payment and is posted to the element entries for the period that includes the end date entered in the parameters when submitting the process.

Any arrears due for periods not previously paid on ESR have to be calculated and entered manually.

It is possible to run a standalone NHS Retro Pay by Element process. This uses a manually created Assignment Set and a user defined Start Date. It has the advantage of using the process to target specific employees on which retrospective changes need to be calculated. However regular use of the standalone NHS Retro Pay by Element Process is not recommended as the process does not clear the Retro triggers from ESR. This means that when the NHS Retro Pay Process is eventually run, these triggers may cause Retro pay to check back over a very long period of time.

Check NHS Retro Pay Process

Users must check in the Folder >Payroll Process results form to ensure the process has completed successfully without error. Any errors must be rectified, and the process re-tried before the payroll is processed.

NHS Impending Retropayments Report (Monthly)

This report details all of the arrears calculations for each element per period. This allows users to review the changes and investigate any unexpected calculations.

Create Assignment set for Negate Retro

Should there be a requirement to negate the retro calculation for a/or group of assignments then an Assignment set would need to be created for use with Negate retro process.

NHS Negate Retro Pay (Monthly)

If required, then run this process to negate the retro pay calculation for relevant assignments. This process creates a negative entry for any retropay calculations for the assignments included in this process. ESR will never try to pay these calculations in the future. Users MUST be aware that they should NOT try to correct any entries which have created retro arrears if they have decided to use the Negate Retro pay process. The results of the NHS Retro Pay process for an assignment or assignment set can be negated using the NHS Negate Retro Pay process and can then be replaced with manually calculated arrears.

Open Sickness Absence Report

This report identifies those employees for whom no end date of sickness has been entered.

NHS Assignments Unavailable for Processing (Monthly)

This report identifies any assignments which will not be included in the next process unless rectified. Any assignments which appear on the report must be reviewed and errors rectified to ensure that the assignment will process without error on the Retro pay or Payroll run. Failure to rectify these errors will result in non-payment of the assignment until the error has been corrected.

NHS Pre Payroll Exception Report – Restricted (Monthly) Old

This report will identify some unusual conditions that might need to be corrected before the payroll run is undertaken.

Payroll Exceptions Management Functionality – Pre Payroll Exceptions

Where an organisation has opted to use the Pre Payroll Exceptions functionality, the process can be run and the identified exceptions can be managed within the tool without the need to produce additional reports. Further information can be found by clicking on the following link: Payroll Exceptions - Manager Tasks .

Employees by Element Folder – report for NI entries

This folder can be used to check where there have been changes made to NI entries to ensure all relevant fields have been completed, it can be exported to Excel for easier reviewing. NI Adjustment Entries often cause issues for reporting to HMRC, by checking for any adjustments made this will ensure that no FPS errors are created.

NHS BIK Validation Report

This report should be run prior to the Payroll run to check on any data that has been entered on the element which may not have been entered correctly.

6.4. PAYROLL RUN PREPARATION & RESULT CHECKING

Before running the Payroll it is always worth doing an additional check to make sure the following have all been run and completed successfully:

- NHS HMRC XML Files Upload.
- Check all batch files are uploaded, valid and transferred without error.

Check for Quick Pays and Remove

Users must check the Folder >Payroll Process Results for unwanted quick pay runs on the payroll and where found, these should be deleted. Unwanted quick pays that are not deleted could result in an employee receiving no or incorrect payment. It is recommended that the quick pay check is carried out before running retropay, payroll run, pre-payments and the costing processes as a minimum.

NHS Payroll Run (Monthly)

This is the actual payroll process, and users should ensure that all the pre payroll checks have been completed before this process takes place. It is best practice to establish the date that the payroll process will take place well in advance. On completion users will be able to review the Statement of Earnings which summarises the payslip and the run results which detail each and every element entered and processed for all of the assignments in the processed run.

This process also allows the following processes to be run:

- Submit Leavers Run
  This process allows for payments between 1st and 5th of the following month to be paid in the current tax month.

- Run Copy Pay Advice
  Running this process produces a pdf copy of the payslips that can be saved locally and used as part of the checking processes. When this is run the NHS Generate Payslip Data Archive process will also be automatically submitted. This will generate a data archive file that will be used to create the Online payslips. These can also be run as stand-alone processes.

- Run Auto Enrol Process
  By setting this to run all eligible workers will be assessed and auto enrolled in the relevant pension scheme.

- Run NHS Post Payroll Exception Process
  This process will generate all the post payroll and RTI exceptions for the Payroll Management functionality. Details on how to use the tool can be found in the ESR User Manual.

- Run Pension Reassessment Process
  This process will reassess new starters and assignments with certain pay affecting changes to ensure they are allocated to the appropriate pension contribution banding. This includes assignments that have been affected by Pay Awards. This can also be run as a standalone process.

- Run BIK Leaver Process
  This process will ensure the correct payment of Benefits in Kind where notification of an employee's termination is received after the payroll period they left in has been processed.

Review Payroll Process Results for Errors

On completion of the payroll process users must review the Payroll Process Results, this can be done using Folders>Payroll Process Results, to check the completion status of the run and to ensure there are no errors. Errors can be viewed by clicking on the Assignment processes button and searching for assignments with a status of Error using the standard ESR search functionality.

Messages advising what has caused the error can then be viewed for each assignment by clicking on the messages button. Once the error has been corrected these assignments will be processed in the Retry process (if used) and therefore there is no need to mark any which were in error for retry. Any assignments in error should be checked after the Retry run.

The Auto Enrolment process should also be checked for errors which should be corrected as required. This can be done by viewing the output created by the GB Pensions Automatic Enrolment Process.

NHS Pension Band Allocation Report

The NHS Pension Band Allocation Report should be generated whenever the Pension Reassessment process has been run. It should be used to check the changes that have happened and for reviewing any messages to see if any manual action is required.

Minimum Wage Tab - ESR BI

Running this BI report will identify anyone falling below the minimum wage so that their pay can be investigated and adjusted as required.

NHS Detail Element Report – Negative Net Pay

This report will identify any assignments whose pay has gone negative to enable investigation and rectification.

NHS Pensions Payment Exceptions Report

This report identifies potential pension contribution issues that will need to be reviewed and corrected or accepted depending upon circumstances.

NHS New Joiners Report

This report details the new appointments to an organisation input onto ESR within a given date range. The date of input should be selected instead of the date of commencement.

NHS Leavers Report

This report details leavers from the organisation input onto ESR within a given date range. The date of input should be selected instead of the date of leaving.

NHS Payroll Checking reports

There are a suite of the checking reports that can be used to check the various changes made in the period selected before finalising the payroll. The available reports are:

NHS Payroll Checking Report – Permanent changes
NHS Payroll Checking Report – Non Recurring Entries
NHS Payroll Checking Report – Absence Entries
NHS Payroll Checking Report – Travel Expenses

NHS Payroll Message Report (Monthly)

This report lists all of the messages at payroll assignment level. It does not report the messages which have been created by users as a means of communication to the staff. There are three levels of message:-

1. Information e.g. Outstanding and paid balances on season ticket loans or Increment included in this period. Generally very little or no action is required on information messages.
2. Warning e.g. Employee is not assigned to a Pay Scale or Union deduction of GBP 5.3, exceeds the net pay of GBP 0. The deduction has been reduced so that it matches the available net pay amount. All warning messages should be checked however, the same assignments could appear month after month with the same message due to being legitimate anomalies.

3. Fatal: - Any assignment with a fatal message will not have been processed in the payroll run. If these are not rectified this could result in no pay for the affected assignments. Errors at this level should have already been picked up at the Payroll Process Results check, however this report offers a second opportunity to catch these. e.g. Error was encountered when processing assignment xxxxxxxx. Error was encountered when processing formula NHS_CALC_DEDUCTION_RATE.

Net Pay Comparison Tab – ESR BI

This BI report allows comparison between different pay periods.

NHS Detail Element Report – Recovery Advance NR NHS

A check should be made to ensure all expected advance payments have been recovered in the period, this report will identify the assignments with this element attached.

NHS RTI Validation Report Process (Monthly)

This report will identify assignments that will fail the RTI validation process for example new joiners with no new starter declaration. These will need to be corrected so the retry payroll run can pick them up.

NHS Gross to Net Summary Report (Monthly)

This is run at this stage to allow a check of employees unpaid in the period. These can then be corrected, if appropriate, then picked up by the retry payroll run.

NHS Payroll Exception Report (Monthly)

This report will do a comparison between a defined number of periods, either as an amount or percentage and identify where there are differences. This is useful to identify where a significant increase in pay has occurred to allow investigation to ensure it is correct.

Payroll Exceptions Management Functionality – Post Payroll & RTI Exceptions

The exceptions that been generated by the earlier process run as part of the payroll run, can be investigated and amended as required in the Payroll Exceptions tool.

6.5. PAYROLL RUN AND POST RUN PROCESSING

Check for Quick Pays and Remove

Users must check the Folder >Payroll Process Results for unwanted quick pay runs on the payroll and where found, these should be deleted. Unwanted quick pays that are not deleted could result in an employee receiving no or incorrect payment. It is recommended that the quick pay check is carried out before running retropay, payroll run, pre-payments and the costing processes as a minimum.

NHS Retry Payroll Run (Monthly)

This process should take place after all of the payroll checking has been completed. All assignments where changes have been made must have been marked for retry to be included in this process. Once completed final checking and verification can begin.

Individual assignments can be marked for retry by ticking the Retry checkbox against the relevant assignment within the Payroll Process Results. Employees that completed in error following the Payroll Run do not need to be marked for retry. These assignments will automatically be included in the Retry process.

To retry the Payroll Run the Mark Payroll Run for Retry process should be run first. If the NHS Generate Payslip Data Archive process has been run, this will need to be manually rolled back using the NHS Rollback Process (Monthly) request, before the payroll can be marked for retry.

On completion, the NHS Retry Payroll Run process should be submitted to generate the revised payments.

Check Retry Payroll Run is complete

A check of the payroll process needs to be undertaken to ensure the retry process has worked as expected and completed without errors.

NHS Rollback Run (Monthly)

This process can be used as an alternative to retry, to rollback the entire payroll. It can be run as soon as possible after the original Payroll run and does not need to wait until amendments have been made. This is particularly important where cross frequency runs apply to prevent interlocking records.

It is important to note that if additional payroll processes have been run after the Payroll run itself, they will need to be rolled back in order of processing, rolling back the latest first, using the NHS Rollback Process (Monthly) request.

Net Pay Comparison Tab

This should be rerun and new entries checked.

NHS Detail Element Report – Negative Net Pay

Repeat this in case something has happened in the period since the last run. Check and delete or amend as required and retry individuals if required.

NHS Employee Run Results Summary Report (GB)

This report should be run to check for high payments that can be investigated and resolved before BACS is run.

NHS Detail Element Report – Recovery Advance NR NHS

A second check should be made to ensure all expected advance payments have been recovered in the period, this report will identify the assignments with this element attached.

NHS RTI Prepayments and XML FPS Process (Monthly)

The Prepayments process separates payments between BACS and Cheques and allocates the bank account and sort code to the payment. This will also run the NHS RTI FPS XML Process and the NHS RTI FPS Reconciliation Report. These need to be checked for completeness etc.

These processes can be run separately if required using the NHS Prepayments (Monthly) and the NHS RTI FPS XML Process 20XX/XX (Monthly) processes.

Check the Prepayments and XML FPS processes have completed

A check must be made to ensure there are no errors on either file. These must be cleared where possible before submitting the BACS file.

NHS Gross to Net Summary Report (Monthly)

The Gross to Net report details totals for earnings, deductions (such as NI, PAYE, court orders etc), direct payments, employer charges, and payment method totals and forms part of the reconciliation process. It should be reconciled with the BACS Report and the BACS confirmation email, as well as the Cheque Report, Costing Report and pay over balances.

NHS GTN Assignment Detail Report (Monthly)

This report will be used to help check totals on the FPS and on the reconciliation report.

NHS Monthly Period End request set:

- **NHS Gross To Net Summary Report (Monthly)**

  The Gross to Net report details totals for earnings, deductions (such as NI, PAYE, court orders etc), direct payments, employer charges, and payment method totals and forms part of the reconciliation process.

- **NHS Periodic Payment Summary Report**

  This report runs for a given assignment over a set number of payroll periods and will show all payments (including Direct Payments) and deductions grouped by Element Name and Allowance (or Deduction) Type.

- **NHS Employee Run Results Summary Report (GB)**
  This report should be run to check for high payments that can be investigated and resolved before BACS is run.

Check FPS Tax and NI Balances

It is strongly recommended that you reconcile your FPS, this period and YTD balances at this stage.

NHS BACS (Monthly)

This process generates the BACS file. This process will not transfer the file, instead you must use the NHS Payroll BACS File Transfer in order to do so. Only transfer it once you are happy that the file is correct and reconciled with the Gross to Net report.

NHS BACS Report (Monthly)

This report lists the contents of the BACS file. The totals of the file must reconcile with the BACS total on the Gross to Net report. Any discrepancies found will have to be investigated prior to submitting the BACS File.

NHS Cheque Report (Monthly)

This report lists the details of any assignments to be paid as a cheque payment as a result of the payroll process for the period being run. The totals of the file must reconcile with the Cheque total on the Gross to Net report, again discrepancies must be investigated.

NHS Cheque Writer (Monthly)

This process allows users to view the cheque payments in cheque paper format. It is necessary as it marks Cheque Payments as being paid therefore removing them from future cheque reports.

NHS P45 Process (Monthly)

This process creates P45's for terminations actioned during the period being processed. If the Defer Printing parameter is set to No, the NHS Submit P45 Report process is automatically submitted as part of this process.

NHS Submit P45 Report

If the Defer Printing parameter is set to Yes when submitting the NHS P45 Process (Monthly), running this request will produce a P45 for all leavers selected by a previous run of the NHS P45 Process. Within the parameters of this process users can choose to send for central printing or instead download a PDF to print P45 files locally for an individual or for the whole P45 archive file.

Check P45 Process Completes without Error

Check the process run results to ensure no errors have occurred.

NHS Payroll BACS File Transfer (Monthly)

This process enables the system supplier access to the BACS file in order for the file to be transmitted to the BACS processing centre. It is recommended that the file is transmitted at least 4 banking days prior to pay day in order to allow for contingency should something go wrong. The file can be recalled up to midnight on the input day. Once the processing day is reached (day before pay day) the file cannot be recalled.

It is important to note that files transmitted after 10:30 pm are regarded by BACS as falling into the next processing day, it should also be noted that the suppliers' staff will have gone home by 10:30 pm so you should avoid sending files so late in the day.

BACS Transfer Confirmation Received

An automated email is sent to the nominated recipient in the organisation from BACS to confirm successful processing of the BACS file. The amount stated on the email should reconcile with the totals on the BACS report and Gross to Net report. It is imperative that the Trust ensures it has received this document and maintains an independent log noting its receipt.

NHS Pay Advice (Monthly)

This process creates the Pay Advice file for printing by the system supplier. The payslips are printed on completion of this process. The running of this process must be scheduled appropriately to ensure delivery on Payday or before. There is a 48 hour turnaround on payslips submitted before 4pm, those submitted after 4pm would delay the payslip delivery by a further 24 hours.

This process may not be needed if the organisation uses Online payslips.

NHS Complete Payslip Data Archive (Monthly)

This process is required to generate the Online payslips, it must be run once the BACS file has been successfully submitted. It picks up the final status of the payslip and adds any payslip messages that may need to be included.

As it is based on the results of a processed Prepayment, it will create an interlock rule to prevent the retry or rollback of a Prepayment process without the initial rollback of the associated NHS Complete Payslip Archive process. For this reason, it should not be run until BACS has been processed and no future changes are likely.

HMRC RTI FPS File Transfer to HMRC

This process must be completed in advance of pay day, further details can be found by clicking on the following link: RTI Processing . This transfers the file via XML upload to HMRC. You will receive an initial confirmation that the file has been received. However, you must then do a later check to ensure that the file has been processed successfully. If it fails you will need to correct any errors and retry the process.

Check BACSTEL-IP

Once the BACS file has been sent users must log into the BACSTEL-IP website to check the submission for any errors or rejections that may have occurred during processing.

NHS Costing (Monthly)

This process generates the NHS Costing file that feeds the GL Interface. A report called NHS Element Costing Summary Report is automatically generated as part of this process. This report shows rolled up figures from the Costing Run.

Users must check the output produced against the NHS BACS Report and NHS Gross to Net Reports. A copy of this will have to be made available to Finance as it is required as part of the Finance Reconciliation process.

NHS Costing Process Check

Do not forget to check the process results to ensure there are no errors affecting the costing run. Any errors identified must be cleared by rolling the process back, amending the error then re-running the process. This must be done before the GL Interface file is created.

NHS GL Interface (Monthly)

This process uses the Costing Run in order to produce the General Ledger files so is dependent upon that process completing without errors. The relevant costing run needs to be selected in the parameters. At this stage of the process the payroll should have reconciled/balanced and therefore the Costing Run will hold the correct details.

6.6. END OF PERIOD ACTIVITY

Once the payroll processing has completed, final reconciliation and preparation for the payovers should commence.

NHS Monthly Summary for Pension Schemes

This report provides a summary of the Pension contributions throughout the calendar month, if there are weekly payrolls, the totals will be included alongside the monthly figures. The use of this report will assist in balancing and paying over contributions.

NHS Third Party Element Listing Report

Run this request to produce the relevant reports to enable pay overs such as Court Orders etc.

NHS DEA Payment Schedule (Monthly)

Run this request to produce the Direct Earnings payover report.

NHS Union Deductions

Run this request to produce the relevant reports to pay over to the Trades Unions.

NHS Local Pension Contributions Report

This report will list all the local pension scheme contributions deducted during the period.

Balance all Pay Overs

Manual step – ensure all pay overs balance to deductions schedules and Gross to Net report.

NHS Mass End Assignment (MEA) Process - Report mode

Where an Employing authority chooses not to populate the Final process Date on leaver records, it is imperative that they run the Mass End Assignment process on a regular basis, in order to stop leaver records being processed on the payroll. The recommended best practice is to actively close records with a final process date in order to reduce the potential for incorrect payments and to meet local audit requirements.

NHS Mass End Assignment (MEA) Process – Update mode

This will commit the changes as per the assignment set generated in the previous process.

NHS RTI EPS Create Process

The Employer Payments Summary (EPS) Process is required by HMRC each month and covers the total of employers' payments for which a refund is due and also contains the Apprentice Levy values. Once you are happy with the details you need to transfer the file to HMRC. It is recommended that ESR Users submit their file by the 6th of the following month, although that may depend upon the use of supplementary payrolls.

HMRC Transactions - Employer Payment Summary Screen

Check the values and amend if necessary.

NHS RTI EPS XML Process

This process is used to transfer the EPS file generated by the above process directly to HMRC. You will receive an initial confirmation that the file has been received. However, you must then do a later check to ensure that the file has been processed successfully. If it fails you will need to correct any errors and retry the process.

GB Apprenticeship Levy Costing Sheet

This report provides a breakdown of the Apprenticeship Levy for use by Financial Accounts teams.

NHS RTI Year to Date Reconciliation Report

This should be run at the end of each tax period (calendar month) when all of the payrolls within a PAYE Reference have been processed, to reconcile monthly payments to HMRC.

Complete Reconciliation spreadsheets for Tax, NI, Pensions, etc. ready for pay over

Manual steps required locally in accordance with agreed local process.

It is important to note that organisations should reconcile at the end of each month using the recommended templates. Any discrepancies should be investigated and resolved as soon as possible after the period has ended.

Where organisations are unable to reconcile and require assistance, an SR should be raised and the relevant template, reports and Request ID's provided along with any steps taken to rectify. This must be done at the very latest by HMRC's submission date of the 19th of the following month.

It is against Best Practice to leave reconciling until the end of the financial year, this can make resolving discrepancies extremely difficult and have financial implications in relation to HMRC.

6.7. PAYROLL CLOSEDOWN

ESR does not require a payroll closedown and any restriction on input is a local Service Level Agreement between the payroll provider and the Employing Authority, we recommend these are kept to a minimum, in order that ESR can be used as the intended employee management tool.

7. SUMMARY

The information in the Critical Path is intended to provide the main steps that should be followed to complete a monthly payroll period. As mentioned at the start of the Guide, each Payroll Provider should prepare their own processing schedule to meet their local requirements and Statutory deadlines.