Electronic Staff Record

Starters and Leavers in the ESR Payroll Function

This document provides high level, useful information in relation to starters and leavers, to highlight functionality which users may not be aware of, as well as providing best practice guidelines.

Starters

What options are available if a user hires an employee with an incorrect start date?

The action which a user can take will depend on how the individual was hired and whether payroll actions exist. The below table summarises the action which can be taken:

|	Payroll actions exist	No payroll actions exist
Direct Hires **(Person Type - Employee)**	Change Latest Start Date	Latest Start Date can only be changed to an earlier date. CSD, Incremental Date, Start Date in Grade fields can be used to reflect correct date if later. Manual adjustment required for overpayments.
Hiring external applicants **(Person Type - Employee.Ex-Applicant)**	Cancel Hire and then Hire on the correct date	Hire cannot be cancelled. CSD, Incremental Date, Start Date in Grade fields can be used to reflect correct date if later. Manual adjustment required for pay.
Hiring internal applicants (Person Type before hiring into new position is Employee.Applicant)	Hire cannot be cancelled	Hire cannot be cancelled
Ex-Employee re-hired on incorrect date	Cancel the Hire and then re-hire on the correct date	Hire cannot be cancelled. CSD, Incremental Date, Start Date in Grade fields can be used to reflect correct date if later. Manual adjustment required for pay.
Secondary Assignment Created on Incorrect Date	Start date cannot be changed. Delete assignment and create a new one on the correct date: Change Assignment Status to Assignment Costing Deletion on the Start Date. Delete the Costing row via Others – Costing. Delete (purge) the assignment record.	Start date cannot be changed or assignment deleted. Manual adjustment required for pay. Terminate record if start date should have been later. Hire assignment from correct date.

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How can NI adjustments be made for late new starters?

The Late Starter NI Adjustments functionality is available to assist users in making NI adjustments for late new starters. It is available from the Payroll Admin and Payroll Super Admin URPs via the Fastpath – Late Starter NI Adjustments menu item.

Certain criteria need to be met in order for the assignment to be processed using the functionality, including:

- the employee must be a new employee who has not been paid or processed in a prior NI Period to the NI Period which is being adjusted
- NI category must be the same for all NI aggregated multiple assignments
- NI Adjustments cannot be created across tax years
- an NI adjustment element entry must not be present on any other assignments
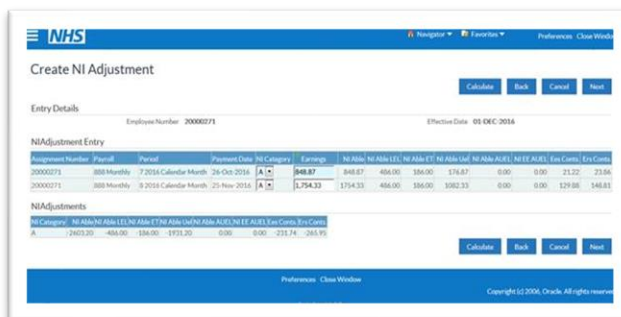
Step by step information on how to use the functionality can be found within the User Manual.

How can NI and PAYE aggregation be set?

Depending on local requirements, assignments may need to be aggregated for NI or NI and PAYE.   Aggregation can only be amended at hire or the start of the new tax year. For rehires, the aggregation must be set to the same as when terminated, and only amended at the start of the tax year. If the aggregation on a rehired record is changed at any other time in the tax year, this will lead to errors on the FPS and RTI Reconciliation.
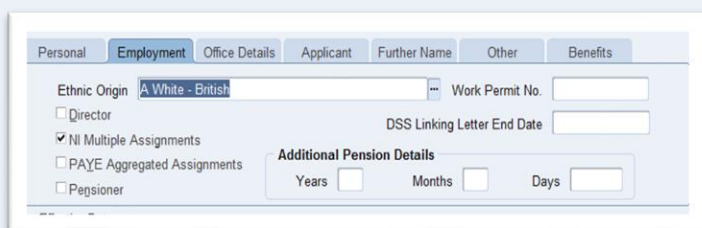
Aggregation can be viewed and amended using the Payroll Admin and Payroll Super Admin URP's from the Tax/NI Aggregation menu item within the Fastpath section. It is also possible to view and amend via the HR Administration URP – People – Enter and Maintain – Employment tab as per the screenshot.

If NI only is aggregated, and the individual has multiple assignments on separate tax codes reported to HMRC, NI is reported to HMRC on the primary assignment and multiple P60s will be produced.

If NI and PAYE is to be aggregated, the tax code needs to be the same across all assignments, only one assignment is reported to HMRC and a single P60 is produced. It is not advisable to aggregate NI and PAYE across pay frequencies.

Full steps outlining how aggregation can be viewed and updated is available in the User Manual in the Controlling NI Deductions, Controlling PAYE Deductions and Tax & NI Aggregation (Payroll) sections.

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NHS

Leavers

Should organisations terminate bank records which have not worked for a certain period of time?

It is good practice to terminate bank records for assignments that have not been paid for 12 months or more. This ensures that only valid employees are available to pay, reduces headcount, reduces pension queries and impacts system performance. If required, the NHS Bank Activation process is available for organisations to run which automatically sets the status of bank staff to Inactive not Worked for those who have not been paid for 17 consecutive weeks/4 consecutive months. The record would need to be re-activated before any payment could be made.

Assignment Tests

Assignment Category should not be Null	17
A person's total combined Contracted FTE should not exceed 1.28	0
Review Date should not be in the future	49
Bank Assignment Status of Inactive Not Worked > 12 Months	52

To prevent discrepancies with HMRC and NHS Pensions, records should be terminated on the date last worked or if never worked, the day after the record was created.

Organisations can quickly identify how many records within their VPD who have had the Inactive not worked status against their assignment for over 12 months by using the BI NHS Data Quality Dashboard.

How can leavers be paid who have a termination date of up to the 5th of the following month?

A facility is available to pay a leaver up to the 5th of the following month in the current pay period, e.g. an employee who is leaving on 4th December 2021, can be paid up to termination in November 2021. This functionality is only available for Monthly payrolls and can only be used where the employee record is terminated, it cannot be used where there are multiple assignments and only one assignment is being terminated.

The process can be run as part of the main Payroll run by selecting Yes against the Submit Leavers Run parameter, two payslips will be generated if using this method. Alternatively a standalone process can be run entitled NHS Leavers Run whereby a single payslip will be produced.

An assignment set will need to be created containing employees who are terminated between 1st and 5th of the month. The process ensures that only terminated employees between 1st and 5th of the following month are present in the assignment set, if there are any non-terminated employees or terminations outside of these dates an error would be returned.
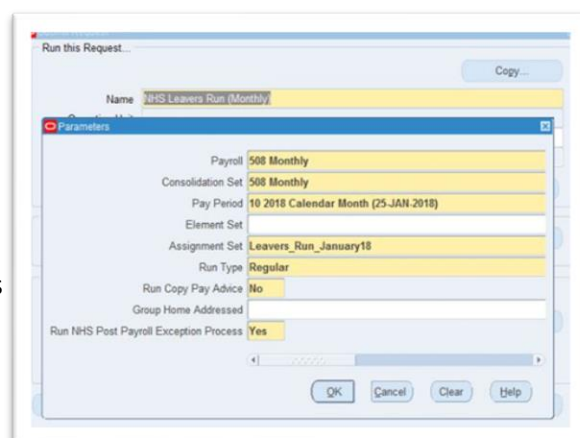
The date range used to produce P45s must include the leavers period so they are picked up by the P45 process, e.g. where leavers up to 5th December were paid as part of the NHS Leavers Run, to produce P45s for these leavers the End Date parameter on the P45 process must be at least 5th December or the leavers will not be picked up.

For full information please refer to the User manual in the Leavers Pay section.

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How should terminations be actioned for employees with multiple aggregated assignments?

If an individual with multiple assignments, is subject to NI only Aggregation, and is only leaving one job there is no need to terminate the entire person record as a P45 will be generated for the terminated assignment only.

If the post to be terminated is the primary post, and the secondary post is to remain, users will need to:
1. Retrieve the current secondary post
2. Date track to the day after the Primary assignment is to be terminated
3. Promote the secondary post to the Primary by clicking the Primary flag within the Assignment Miscellaneous tab
4. Change the Assignment Status to Terminate Process Assignment against the now Secondary post (old Primary).

The P45 will then be produced for the old Primary assignment, and the Secondary post continues to be available to pay. An assignment should never be changed from substantive to bank (or vice versa) as this causes incorrect treatment of the employee records held at HMRC and NHS Pensions.

If the individual has multiple assignments where NI & PAYE are aggregated, all assignments will need to be terminated to generate the P45. The rehire process can then be used to re-instate any jobs remaining, however if the individual leaves part way through the month and wishes to return in the same month they cannot be hired until after the Last Standard Process Date which must be set as the last day in the pay period in which the termination takes place.

Can the rehire functionality be used for retire and returns?

If the retiree leaves part way through month and wishes to return in the same month they cannot be hired until after the Last Standard Process Date. If the retiree leaves part way through month and wishes to return the following month, the rehire functionality can be used.

For further information on Rehire please refer to the ESR-NHS0331 Guide to Rehiring Ex-Employees available on the ESR Hub - https://my.esr.nhs.uk/

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What action should be taken if an employee has annual leave owing at the point of termination?

If an employee leaves an organisation with annual leave owing, for Pension purposes the Pension leave date must be extended to incorporate annual leave.

This can be entered via the Assignment Element Entries form, selecting the Pension NHS element and entering the extended leave date within the Override Pen End Date field.

If an employee moves to another organisation and an IAT is requested, the Override Pension End Date will be recorded on the Portable Dataset (PDS) and used to derive the information to generate the data feed into the Override Pension Start Date. This will assist in preventing overlapping pension service errors.

When the PDS copy is performed by the new organisation, the Override Pension Start Date field within the Pension NHS element will be automatically populated, confirmation that the field has been fed from an IAT can be checked in the Descriptive Flexfield. It is important to note that the PDS copy should be performed on or as soon as possible after the employees start date, to ensure that the correct information is transferred to NHS Pensions.

A notification sent to the PDS Notification role holder (or locally created equivalents) is produced to advise that the Override Pension Start Date has been automatically updated, and the information is reportable via BI.

Should open sickness absences be closed prior to termination?

When terminating a person record it is always important to ensure any open sickness absences are closed on termination, otherwise a Service Request will need to be raised through the ESR Support Helpdesk for a datafix to be applied if the record is to be rehired.

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Next steps?

Your NHS ESR Functional Account Manager details can be found on the ESR Hub. Details for your regional contacts can be found via the links below:-

- London
- South of England
- Midlands and East of England
- North of England
- Wales