Payroll User Manual

Complete guide to employees, pay runs, tax, pension, and payslips

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1. Introduction

The **Payroll** module (Workforce Hub add-on) processes employee compensation from hire to payslip: pay grades, benefits, bonuses, tax and statutory deductions, pension, and compliance reporting.

Access Payroll from the ERP shell (`#payroll`) or `public/payroll.html` . The module must be activated for your organisation; a padlock overlay appears until the add-on is enabled.

- **HR / Payroll administrators** — full configuration and pay runs.
- **Payroll processors** — run payroll, issue payslips, file returns.
- **Employees** — view payslips via the Employee Portal (separate login).

2. Getting Started

Implementation checklist

1. Activate the Payroll add-on from the module lock screen or billing settings.
2. Complete **Settings**: company payroll profile, pay frequency, tax jurisdiction.
3. Define **Pay Grades** and salary structures.
4. Import or create **Employees** with bank details and tax identifiers.
5. Configure **Tax Engine** and **Statutory** rules (PAYE, NI, etc.).
6. Set up **Pension** schemes and employee enrolment.
7. Run a **test payroll** in a sandbox period before going live.

3. Dashboard

The Payroll Dashboard highlights upcoming pay dates, headcount, pending approvals, tax alerts, and recent pay run status.

1. Open **Payroll → Dashboard**.
2. Review alerts (e.g. missing tax codes, incomplete bank details).
3. Use quick links to **Run Payroll** or **Payslips**.

4. Employees

Maintain the employee directory: personal details, employment status, department, pay basis (salary/hourly), and payment method.

1. Go to **Employees**.
2. Click **Add Employee** or import from HR module if integrated.
3. Enter legal name, employee number, start date, and pay grade.
4. Add bank account for BACS/ACH payments.
5. Assign tax codes and pension membership.
6. Save — employee appears on the next eligible pay run.

> **Important:** Never process payroll for employees without validated bank details and tax identifiers.

5. Pay Grades & Compensation

Pay grades define salary bands, increment steps, and market benchmarks applied across roles and departments.

1. Open **Pay Grades**.
2. Create a grade with minimum, midpoint, and maximum salary.
3. Add steps or levels within the grade.
4. Assign employees to grades from the employee record or bulk update.

6. Benefits, Perks & Bonuses

Configure recurring benefits (health, transport allowances) and one-off bonuses that flow into gross pay calculations.

- **Benefits & Perks** — taxable and non-taxable allowances.
- **Bonuses** — ad-hoc payments with optional tax override.

1. Define benefit types and default amounts.
2. Attach benefits to employee profiles.
3. Bonuses can be added per pay period from the Run Payroll screen.

7. Run Payroll

The pay run wizard calculates gross-to-net pay for all eligible employees in a period, including tax, NI, pension, and other deductions.

Standard pay run steps

1. Navigate to **Run Payroll**.
2. Select pay period and pay date.
3. Import or confirm **Attendance**, **Leave**, and **Overtime** hours.
4. Review calculated gross pay, deductions, and net pay per employee.
5. Resolve exceptions (negative net pay, missing tax code).
6. Submit for approval if maker-checker is enabled.
7. Approve and **Finalise** — generates payslips and payment batch.
8. Export bank payment file or mark payments as sent.

> **Important:** Finalised pay runs are locked. Reversals require a payroll administrator and may generate reversing journals in Accounting.

8. Payslips & Employee Portal

Payslips are generated automatically when a pay run is finalised. Employees can download PDF copies from the self-service portal.

1. Open **Payslips** and filter by pay run or employee.
2. Preview or download individual PDF payslips.
3. Resend email notifications if delivery failed.
4. Employees access the same documents via the Payroll Employee Portal.

9. Pay History

Pay History provides a searchable archive of all finalised runs, totals by period, and year-to-date figures per employee.

> **Tip:** Use Pay History for year-end reporting and to answer employee queries without re-opening closed runs.

10. Attendance, Leave & Overtime

Time data feeds directly into pay calculations when Time & Attendance is integrated.

- **Attendance** — days/hours worked per period.
- **Leave Management** — paid and unpaid leave balances.
- **Overtime** — premium rates applied per policy.

1. Import timesheets or sync from Time Tracker module.
2. Approve leave requests before running payroll.
3. Verify overtime rules in Settings match employment contracts.

11. Tax Engine

The intelligent tax engine applies jurisdiction-specific rules (e.g. PAYE, National Insurance, PSSN) using current rate tables.

1. Open **Tax Engine** to review rate tables and thresholds.
2. Assign correct tax codes to each employee.
3. Review withholding alerts on the Dashboard before each run.
4. Generate **Reports** for filing with revenue authorities.

12. Statutory & Pension

Manage statutory contributions and workplace pension schemes, including auto-enrolment eligibility and contribution rates.

- **Statutory** — employer/employee statutory deductions.
- **Pension** — scheme setup, employee opt-in/out, contribution percentages.

> **Important:** Pension and RTI submissions may have legal deadlines — configure reminders in Settings.

13. Reports & Analytics

Payroll reports include pay register summaries, tax liability schedules, department cost analysis, and workforce analytics.

1. Open **Reports** or **Analytics**.
2. Choose report type and date range.
3. Export to PDF or CSV for auditors and management.

14. Link to Accounting

When integrated with Accounting, payroll postings create journal entries for wages expense, employer costs, PAYE/NI liabilities, and net pay due.

1. In Accounting → Integrations, enable Payroll posting.
2. Map accounts (wages, employer NI, PAYE payable, bank).
3. After finalising a pay run, review and post the payroll journal batch.

15. Settings & Security

Payroll settings control pay frequency, rounding rules, approval chains, and data retention.

- Restrict pay run approval to designated roles.
- Enable audit logging for employee bank detail changes.
- Configure multi-company payroll if using entity hierarchy.

16. Troubleshooting & FAQs

- **Employee missing from pay run** — check employment status, start date, and pay grade assignment.
- **Wrong tax deduction** — verify tax code and effective date of rate table.
- **Negative net pay** — review deductions and attachment orders.
- **Payslip not received** — confirm email on employee record; check spam filters.
- **Module locked** — activate Payroll add-on or contact billing admin.