

AE Comply – a review

As someone yet to come up against putting the new pension regulations regarding pensions auto enrolment into practice, I was keen to see what this product could offer to help employers and payroll people through the mire of reporting and compliance required in the next few years....

The product tested is the test site which runs the online software developed by LEBC and Aviva. The product comes with hefty support manuals and a case study to work through, and has clearly been a labour of love for those that developed it to encompass every conceivable pension option/ requirement.

On first glance the interface is easy to understand, with a series of areas on the home page through which the software guides you until you are fully compliant for your first and each subsequent payroll period.

The set up process is straightforward and easy enough to follow, although I would recommend having a grasp of the basic premise of auto enrolment first – the software uses a lot of the terminology used in the regulations so it's obviously important that you know what it is talking about!

To set up the company file you first need details of the company pension scheme(s) in operation. It's important to stress that this software does not find you a pension (although the developers can provide this service if required) nor does it recommend or support any particular product, despite being built originally by Aviva. So, before embarking on its use, arm yourself with plenty of financial advisory help and a suitable scheme for the employer in question! There is a check list available on the first page so you can be prepared before you begin. Through-out the process LEBC were also at pains to stress the level of available support to subscribers, so worth engaging with this too to make sure the initial set up is correct.

One of the main features of AE Comply is that you can use it even if you have passed your staging date – with the 'retrofit' option. This will allow you to start the process on the correct staging date and bring you up to date with all the compliance required. Penalties may still be levied for late staging, but at least you can be confident that you have done it correctly... eventually....

Next task is to add your 'groups' – this is where you can group together workers who fall into the same category for pension purposes, and each group is given its own % contribution rate. So you might want to group directors, warehouse people, office staff, weekly paid etc as separate groups.

Within each group you set basic parameters. The code allocated to each group is then allocated to each employee in the group through your payroll software, and the system will then calculate not only the correct deductions, but the point at which employees become within the scope of AE or otherwise.

The clever bit comes in the next stage where you import your payroll .csv file to the ae comply software via payroll mapping. Once you have mapped your .csv headings to match those required in AE Comply (this can take a bit of time to get right... be warned...), it will import your file and stick everything in the right place.

Clearly, the product relies heavily on data from your payroll software, so ideally you need be able to extract all weekly/ monthly payroll data from your payroll software in .csv format. I use Moneysoft Payroll and this currently does not offer an export function, so in this instance the .csv (27 fields) would need to be created from scratch and updated every pay period with the correct payroll data.

This is one of the biggest downside of this product I found when testing, so worth checking before you buy, that you can export in a useful manner.

Obviously, if you are anything like me, there will be errors in your .csv file (wrong characters etc) and AE Comply will, in these circumstances, generate an exception file in excel, which highlights the problem cell(s). This enables you to go back to your original payroll .csv, and make the necessary changes. The only snag with this system is that you then need to import and remap the file again until it's accepted by the software.

Next stage – self certification – this where the product registers your information with the pension regulator. There are four levels of certification to choose from, and this is where you need to know exactly what you are on about to make the right choices. The system shows you the difference to the employer costs as you change the parameters on the contribution levels, and the certification level that you can go with depending on what you decide. Once you have waded through this part, you can certify and complete this section, and download the certificates accordingly.

Next – compliance check. This section allows you to check, every pay period, that your employees are being offered the correct options to join, or leave the pension depending on their circumstances, and are issued with the correct letter (with the correct wording) to each employee as necessary outlining the options available to them, either by email or print and post. It's important to note timescales here as their clearly needs to be a period of time for employees to decide what to do in each pay period... That said, there is also an option to opt-in employee's part way through a month by entering them through a separate .csv file through the employee management tab on the home screen.

Hopefully, for those on fixed salaries this will be a once a year task, but for employers with a high staff turnover and fluctuating salaries, this could prove time consuming, although useful in terms of meeting the compliance requirements.

Once all the correct letters and actions have been created in the software, you need to also update the payroll .csv file and the actual payroll file to ensure the correct deductions are made in the month. AE comply generates an activity file which can be downloaded, and this file highlights the changes you need to make to your payroll import files, which then to be reloaded into the system before continuing with the next month. The changes also need logging on your payroll software and with your pension provider. It's **really** easy to overlook this part. There are a lot of steps to achieve a correct end result and many mistakes could be made along the way by simply forgetting to change the data. This is the one main reason why a product such as this that is entirely separate from payroll system may not always be the best option for a busy practice.

The test modules then take the user through a further 3 months of payroll data, demonstrating how to make changes to the system to reflect leavers, contributions that are going up (or down) etc. Each month you need to complete the payroll import and compliance checks, and generate the communications stipulated. The system month to month will flag up where contributions are too low, or people are missing from the payroll file etc by internally comparing periods. The learning is very comprehensive and makes loads of important points about company policy decisions you will need to make, staffing responsibilities, storing your data, different options and what they mean etc. There is a LOT to take in and read.

Elsewhere on the home screen you can amend settings within the software. These enable you to add your company branding to letters issued, add scanned signatures etc and add attachments that can

be sent out by email. This definitely helps to increase the professionalism of the communications and give your staff the impression that you totally know what you are doing...

Other reassurances come from the load testing on the system – the developers have ensured that their servers can cope with many thousands of multiple log in's and pride themselves on the speed of uploading and analysis of data. Coming with the backing of Aviva and LEBC you can also rest assured that the product is not going to disappear any time soon. Security wise I was assured that my data is entirely secure and not accessed by any third party, including Aviva and the pension Regulator, HMRC or LEBC. Security assurances and certificates from SunGuard were sent to me and were indeed reassuring. Clearly the product is holding a lot of data in the cloud that needs to be totally secure, which it certainly appears to be.

My overbearing impression of AE comply is that it is an extremely comprehensive piece of kit in the auto enrolment arsenal. It will definitely ensure employers are compliant (as long they use it correctly) and provides all the necessary tools to do so. You do need more than a working knowledge of the pension regulations to understand what you are doing. It is not the sort of product I would recommend to a small employer not only because of the knowledge required but also because of the time consuming nature of entering and analysing the information required and the processes you need to run each month. But for a payroll bureau or bookkeeper with even a handful of clients, it could prove invaluable in meeting the needs of the regulations and providing your clients with a reassuring hand hold through the process of auto enrolment.

Reviewing this product has been quite time consuming, partly due to its complexity and the learning required on the subject itself, but also because in the product is/ was still in development and things changed as I was using it. Part of the reason I have come away not completely loving it is this frustration at not being just to 'use it' but it would perhaps be unfair to assume that these issues will remain as the product is rolled out. The company behind the promotion of the product – LEBC - have been at pains to stress at every stage that they will always offer a full bespoke support and training programme for subscribers, and indeed do some of the preparation work for you if necessary. The support offered to me by the project management team was excellent and at no point patronising or exasperating! That said, I remain concerned about the level of amendments and reloading of data to keep everything correct. I can feel a simplified flow chart coming on....

The product is currently targeting payroll bureaus/ accountants with a payroll client base. With low enrolment prices (approx. £1 per employee entered), it's easy to see how a practice could impress it's clients by using AE Comply to offer a bespoke package to ensure auto enrolment compliance at a very reasonable cost, with scope for making a bit of extra cash through additional charges etc...

On balance, an excellent, comprehensive product, ideal for larger payroll bureaus & practices, with the caveat that it will take users some time to fully understand and feel at ease with the level of interaction required with the product. Great reporting, great employee communications, great for giving your clients confidence in the process. Just make sure you follow that flow chart!

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