

**PC Challenge Business Software**

**Ready to run Solutions  
for the Business and Professional User**

# **Reference Manual**

# **PCC Excel Payroll**

**Version 10 for 2001/2002**

**for use with Microsoft Excel '97+**

**'ZD CD' Edition**

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# Chapter 1:

## Introduction

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***"PCC Excel Payroll  
for Windows is an application  
providing the user with a payroll  
preparation system and the necessary  
employee records to produce  
Inland Revenue returns"***

Lotus 1-2-3 was the original spreadsheet software from Lotus Development Corporation and it is from *PCC 1-2-3 Payroll* that PC Challenge has developed *PCC Excel Payroll* for Excel 97. With the combination of your personal computer, Excel 97 (or 2000) software and PC Challenge applications such as *PCC Excel Payroll*, your business has access to a very powerful set of tools.

This Excel version of *PCC Payroll* has been developed in a business environment with the help of many existing users of the 1-2-3 and *Windows* stand-alone versions. It uses the same structure for the entry of data and processing; - only the user interface has changed to take advantage of the *Excel* environment using Visual Basic for the program procedures. It comes complete with on-screen friendly menus, dialog boxes to lead and guide you and this Reference Manual.

The standard Excel 97 menu bar is retained on screen at all times, but with the addition of the **Payroll** menu item. This gives access to all the set up and operating procedures of *PCC Excel Payroll*.

It has many new features which build on the experience gained with the original *PCC Payroll* for DOS. The program will produce a Weekly, 2-weekly, 4-weekly or Monthly payroll for up to 60 employees. Multiple payrolls are possible, each one with the data files established in a separate subdirectory (folder).

In addition to the normal payroll processing of income tax and National Insurance to produce pay-slips for each pay period, the following features are included in this version of the software:

- the ability of the user to update the tax and National Insurance tables built into the system - with the option of multi-band income tax rates;
- a bank giro payment form for direct payments to employees' banks which may be printed out or exported as a text file for BACS;
- a regular deduction from, or addition to, employees' Net Pay;
- manual adjustments to Net pay including Working Families Tax Credit (WFTC), Disabled Person's Tax Credit (DPTC) and Student Loan Recovery (SLR);
- a facility to set employees' pension contributions per period as a fixed amount, or as a percentage of gross pay, for those firms with approved contracted-out money purchase (COMP), or contracted-out salary related (COSR) occupational schemes;
- the ability to make AVCs in addition to regular pension contributions;
- an option to set tax relief on employees' pension contributions; the default is 'Yes', employees receive tax relief;
- a facility to account for NICs on *Benefits* paid to employees;
- a summary for each pay period of pension contributions and Minimum Payments (employee and employer) for those employees on reduced rate NI contributions (Table D, E, F, etc.);
- annual or pro rata earnings period basis for the NICs of company directors.

In addition to the *PCC Excel Payroll*, PC Challenge, whose partners are qualified accountants, can offer ready-to-run versions of the payroll for Lotus 1-2-3 and *Windows* (ready-to-run) as well as many other practical business applications for business users. Details of these and options for customising the payroll software are available from PC Challenge. Please refer to the back of the title page if you wish to contact them. In addition, using this standard Payroll application as a basis, you should be able to adapt it to meet your own specific needs.

**PLEASE NOTE:**

The National Insurance bands and rates set up in the software as defaults are those to be used from 6th April 2001 until further notice.

To view the rates and bands in the NI Tables, which are password protected, select the **tab** for the worksheet **NI Tables** (or select **NI Tables** from the **Payroll|Set Up** menu options).

The Income Tax Bands and Rates set up in the software as defaults reflect the changes in the November 2000 Pre Budget Statement. These rates and bands can be altered as necessary by selecting the *Tax Table* worksheet tab (or selecting **Tax Table** from the **Payroll|Set Up** menu options). This Table can be unprotected to make amendments, e.g. following the March 2001 Budget in May 2001.

It is of course essential that you make sure you are using the correct rates and bands. If necessary, please check with your tax office or the Inland Revenue Help Line. **In any event, PC Challenge will produce a new version of the PCC Excel Payroll before the start of each PAYE year.**

We suggest you work through this manual carefully as follows. Read Chapters 2 and 3, then move on to Chapter 4, - *Operating PCC Excel Payroll* which contains tutorials for setting up and operating your payroll.

Once you have mastered this particular payroll application, you may wish to add other applications to your collection, such as our *PCC Cash Book Plus* for *Windows*. Please contact PC Challenge for further details.

Whatever the scale of your business, we are sure that the **PC Challenge Business Software** is just what you need to help make Excel a more effective partner in your business. We hope you will find the *PCC Excel Payroll* application a useful addition to your software library.

# Chapter 2:

## Preliminary Preparation

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### Introduction

This chapter describes the preliminary preparation required before starting to use *PCC Excel Payroll* for *Windows*. It is set out under the following sections :

Introduction

How Keystrokes are Defined in this Manual

Assumptions

Installing *PCC Excel Payroll*

Summary

### How Keystrokes are Defined in this Manual

The following terminology is used throughout the *PCC Excel Payroll* Manual :

<b>Type</b>	This means to strike or press a key. It is used primarily with the standard typewriter keys.
<b>Press</b>	This also means to strike or press a key. It is used primarily with the non-standard typewriter keys, for example an arrow key.
<b>Move to</b>	This directs you to re-position the cursor to a certain place on the screen. This is usually done with the arrow keys, the <b>Mouse</b> or the <F5> (Goto) Key.

- Select** This directs you to select a specific command from a menu of options or a dialog box using the **Keyboard** or the **Mouse**.
- Ctrl Key** The 'Ctrl' key on your keyboard is used in a similar fashion to the 'Shift' key on a typewriter. When the manual asks you to press say <**Ctrl+M**>, you must hold down the **Ctrl** key and type the letter **M**.

## Assumptions

In order to keep this manual to a reasonable size, we have had to make some assumptions about the equipment you are using, and the choices you have made when installing Microsoft Excel 97+.

## Hardware

Our assumptions are that you have the following :

1. An IBM personal computer or compatible with a Pentium or higher processor (minimum 100 MHz). Your computer should have 16 Mb or more of memory and a VGA or higher resolution display.
2. One hard-disk drive (C:) and one floppy disk drive (A:) or (B:) or a CD-ROM drive, (D:) or (E:).
3. For high quality output of the pay-slips a laser or ink jet printer may be more appropriate.

If the details described above do not exactly match your own, then you may need to consult your dealer.

## Software

You will require **Microsoft Windows '95** or higher; also **Microsoft Excel '97** (or later) for *Windows*.

# Installing PCC Excel Payroll

For this manual, we assume the following preparatory tasks have already been performed:

1. You have already initialised and installed Microsoft Excel 97 or a later version.
2. Your computer is set up with the correct date. If your computer has a battery clock, this will be automatic. If not see your computer operating manual.

## Installing the *PCC Excel Payroll* Application Files

A *PCC Excel Payroll* Setup Program to install all the necessary files to your hard-disk drive and at the same time create a working directory for the payroll files is part of the software provided. The 'default' directory, for the installation of the .XLS files and the README file is **C:\PAY0102** but you may edit this to a name of your choice, **C:\MYPAY**.

We will assume that you have loaded *Windows '9x* and that the *Windows Desktop* with **Start Menu** button is on screen. **We strongly advise you to close all programs that you currently have open before running the Setup Program.**

To start the installation process, place the *PCC Excel Payroll* disk in your floppy-disk drive **A:** or **B:** and then proceed as follows:

Select	Start	or File for <i>Windows</i> 3.1 or 3.11)
Select	Run	
Type	A:\SETUP	(B:\SETUP for B: floppy-disk drive, D:\SETUP or E:\SETUP for a CD-ROM drive )
Select	OK	

You should now follow the instructions on screen. When the Setup Program has loaded a PC Challenge logo will be displayed and then you will be asked if you wish to continue or exit.

Select	Next twice	(or press <Enter> twice to continue)
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The next dialog box offers 'Readme' Information on choice of directory (folder) for the payroll installation. This is followed by a screen indicating the



‘default’ directory, **C:\PAY0102**, on your hard disk. You may press **Browse** to edit this to the drive and directory of your choice, for example, **C:\MYPAY**.

**If you intend to run multiple payrolls for this year, with each payroll having its own ‘shortcut’ icon for launching *PCC Excel Payroll*, with the payroll application files (.XLS) in separate directories (folders), you should not accept the default directory, C:\PAY0102, but enter a name of your choice, e.g. C:\MYPAY.**

After selecting **Next**, when you are ready to continue, a dialog box will ask you for the name of the Folder (under C:\WINDOWS\START MENU\PROGRAMS\ ) to which the *Payroll*, *Pay Readme* and *Uninstall* ‘shortcut’ icons will be added. The default is *PCC*, which you may amend in the edit box to a name of your choice. Alternatively, you may select one from your existing Program Folders. **Once again, if you intend to run multiple payrolls for this year enter a different Program Folder name for each payroll that you install, e.g. MYPAY; we suggest the same name that you use for the installation directory.** This is because each payroll ‘shortcut’ icon will initially be entitled *Payroll*; at a later stage you can, if you so wish, give more specific names to each of your ‘Payroll’ ‘shortcuts’ and then move them all to the same folder within the Programs folder on the **Start Menu**.

We will accept the default. When you are ready to continue:

**Select**                      **Next** twice                      (or press <Enter> twice to continue)

The copying process will now start with the screen displaying the progress of the operation.

The next dialog box indicates the process is now complete. You may accept the choices to launch the program and /or display the *Pay Readme* file. We will not do so at this time:

**Select**                      **Finish**

You may now close the *PCC* folder (Group window) containing the *Payroll*, *Pay Readme* and *Uninstall* icons and then select **Start|Programs|PCC** to display the *Payroll* ‘shortcut’ to launch the program on the **Start Menu**.

When you launch the program from the **Start Menu**, Windows will first launch the Excel program and, at the same time, open the payroll computation file PAYCAL.XLS.

In case the standard **Setup** procedure does not work correctly, a copy of the uncompressed application files will be found in the **oot** directory of the CD or program disk 1. As an alternative, you may always copy these files to a

directory of your choice and then create your own 'short cut' to open the PAYCAL.XLS file with Excel.

## A Word of Caution

You are just about ready for *Getting Started*, which we discuss in the next chapter, but before you do so, we would like to draw to your attention three possible problem areas:

### Adding and Deleting Rows and Columns

Microsoft Excel normally allows you to add and delete rows and columns in a worksheet. This is one of its strengths. However, it can cause problems in a complex application. Therefore, when using the PC Challenge Business Applications, we strongly recommend that you avoid using this facility. Please consult PC Challenge for advice on this subject.

### Recovery with the <Ctrl+Break> Combination Key

Many of the PC Challenge Business Applications run under automatic (macro) control. If this automatic control breaks down for any reason, e.g. an invalid data entry, there is usually a recovery procedure noted on the screen. If not, however, the ultimate solution is to break out using the <Ctrl+Break> key combination several times. The combination is achieved by holding down the **Ctrl** key and then pressing the **Break** key. If you cannot continue from this point, we suggest you save the file, using the **File** menu commands, with a temporary name and then reload it. This should reset the automatic procedures.

### AutoComplete Feature - Disable

When using *PCC Excel Payroll* you are strongly advised to ‘turn off’ the **AutoComplete** feature of Excel as this will cause problems. You should select **Tools|Options|Edit** and then ‘blank’ the bottom check box on the **Edit** Page screen, *Enable AutoComplete for cell values*.

## Summary

That concludes the main tasks required as preliminary preparation to match both Microsoft Excel for *Windows* and your *PCC Excel Payroll* to your hardware and your own individual preferences.

# Chapter 3:

## Getting Started

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### Introduction

This chapter describes how to get started. It starts from the assumption that you have already installed and loaded Microsoft Excel 97 for *Windows*. If you have not done so, then refer to Chapter 2 of this Reference Manual.

It is set out under the following sections :

Checking the Worksheet Directory

Loading the *PCC Excel Payroll*

### Checking the Default File Location

Before you start using *PCC Excel Payroll* you may wish to check that Excel's default file location or default 'look in' directory is set to the directory (folder) where *PCC Excel Payroll* application files are stored. If you accepted all the defaults in the installation procedure in Chapter 2, this will be **C:\PAY0102** for a hard-disk system with a **C:** drive.

If you are not sure what your default file location setting is, use the following procedure to check. Launch Excel opening a blank workbook. Then:

**Select                      File**

**Select                      Open**

The Default **Look in** directory or folder will then be indicated at the top of the dialog box, e.g. **C:\PAY0102**. If this is the directory (folder) where you have installed the *PCC Excel Payroll* files (.XLS) then:

**Select                      OK**

If it is not, you may wish to amend the setting for the **Default File Location** by using the menu option: **Tools|Options|General**. However, normally the current 'look in' directory or folder will be that of the particular **PAYCAL.XLS** file that is opened by the *Payroll* 'shortcut' and hence amending the Default File Location should not be necessary.

# Loading PCC Excel Payroll

You are now ready to launch *PCC Excel Payroll* from the **Start Menu** or a ‘Payroll’ icon on your Desktop. This ‘shortcut’ will automatically open the payroll computation file, **PAYCAL.XLS** after launching Excel. You may then wish to open the Employee Data File template, **EE0.XLS**, to prepare a data file for each employee (P11 equivalent). To get started, use the following commands:

<b>Select</b>	<b>Start</b>
<b>Select</b>	<b>Programs</b> then the <b>PCC</b> ‘shortcut’ icon
<b>Select</b>	<b>Payroll</b>

The **PAYCAL.XLS** file should be opened and be active on your screen; you should then select **OK** to clear the information box displayed.

<b>Select</b>	<b>OK</b>
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As an alternative to using the ‘shortcut’, you can always launch Excel and then open the **PAYCAL.XLS** file in the directory of your choice.

## Important Reminder:

In Chapter 1 we mentioned that when using *PCC Excel Payroll* you should ‘turn off’ the **AutoComplete** feature of Excel as this will cause problems. You should select **Tools|Options|Edit** and then ‘blank’ the bottom check box on the **Edit** Page screen, *Enable AutoComplete for cell values*.

## Summary

You are now ready to proceed to the next chapter, **Operating PCC Excel Payroll**, to start the real work of preparing your payroll.

# Chapter 4:

## Operating *PCC Excel Payroll*

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### Introduction

This chapter describes the preparation and use of the *PCC Excel Payroll*. It is set out under the following sections :

- Introduction
- Aim of the Application
- Overview of *PCC Excel Payroll*
- Tutorial 1 - Setting up *PCC Excel Payroll*
- Tutorial 2 - Normal Operation of *PCC Excel Payroll*
- Technical Reference
- Summary

You are expected to have only a cursory knowledge of ‘pay as you earn’ (**PAYE**) procedures, however we suggest it would be useful to have the Inland Revenue publication, *Employer's Guide to Pay As You Earn*, at hand when using the *PCC Excel Payroll*.

We suggest you read the first two sections of this chapter, and then work through the step-by-step tutorials on your computer. Finally consult the **Technical Reference** section, see pages 44-53, for clarification of points of detail.

### Aim of the Application

Carrying out the necessary routines to produce a payroll is often a tedious and time-consuming task for the smaller business. In any case, most of the payroll preparation and **PAYE** procedures have little value to the main activity of the business, so the aim of this application is to produce a payroll with the minimum of effort.

### Overview of *PCC Excel Payroll*

The *PCC Excel Payroll* system consists of a payroll computation file, **PAYCAL.XLS** and employee data files, **EE101.XLS**, (for Employee Code 101), **EE102.XLS** (for employee 102) etc., which you can create from the template file, **EE0.XLS**, supplied. Note that the range of the 60 Employee

Codes can be modified by the user, but the default codes are 101 to 160. The employee data file names must correspond to the definition used for the employee codes. Thus a first employee with a code of 100001 would have a data file name of **EE100001.XLS**.

The **PAYCAL.XLS** computation file performs all the calculations for each pay period, (Weekly, 2-weekly, 4-weekly or Monthly), to produce the pay-slips and update the individual employee data files.

The Employee Data Files, or **EE** files, are set out as three horizontal ‘pages’ and include the following data for each period and some with year to date (CUM):

	<b>Name of Data Item</b>	<b>Column Headers</b>
<b>Page 1</b>	Gross Pay Employee's Pension Contributions Pay Tax Paid	(GRPAY; CUM GRPAY) (PENSION; CUM PEN) (PAY; CUM PAY) (TAX ; CUM TAX)
<b>Page 2</b>	Employee's NICs – P11 Column <b>1e</b> Employer's NICs Statutory Sick Pay – Column 1h Statutory Maternity – Column 1i Working Families’ Tax Credit Student Loan Recovery	(NI EE; CUM NI EE) (NI ER; CUM NI ER) (SSP) (SMP) (WF/DPTC) (SLR)
<b>Page 3</b>	NI Earnings - P11 Column <b>1a</b> NI Earnings - P11 Column <b>1b</b> NI Earnings – <b>Not in Use</b> NI Earnings - P11 Column <b>1c</b> C/O Rebate Employee - Column <b>1f</b> C/O Rebate Employer - Column <b>1g</b> NI Category - Table Letter used Gross NICs -P11 Column 1d	(NIPAY1) (NIPAY2) (NIPAY3) (NIPAY4) (Rebate EE) (Rebate ER) (T) GR_NICS

The three screens on the next two pages display the three ‘pages’ of a sample EE file, for the employee A JONES, Employee No. 101, with the entries for 3 weeks:

Microsoft Excel - EE101.xls

File Edit View Insert Format Tools Data Window Help

83%

Arial MT 10 B I U

A	B	C	D	E	F	G	H	I
1	Page 1	EMPLOYEE PAYROLL DATA FILE					YEAR >	2001/2002
2	JONES			Dates: BIRTH >	01 01 1945	EMP CODE >		101
3	ALAN	12 Orchard Avenue		START >	01 01 1992	M or F >	M	
4	JAMES	East Dulwich		LEFT >		NI DIR >		0
5		London SE22 4EZ		NI NUMBER >	A123456Z	NI TAB >	A	
6	P11			2	3	7	6	
7	Per	GRPAY	CUM GRPAY	PENSION	CUM PEN.	PAY	CUM PAY	TAX
8	1	282.00	282.00	0.00	0.00	282.00	282.00	39.17
9	2	282.00	564.00	0.00	0.00	282.00	564.00	39.39
10	3	282.00	846.00	0.00	0.00	282.00	846.00	39.39
11	4							117.95
12	5							
13	6							
14	7							
15	8							
16	9							
17	10							
18	11							

Data /

<Ctrl+Shift+M> restores 'P14 Generator' menu.

Start Microsoft Excel - EE1... Microsoft Word - Picture in...

08.36

Figure 4-1 : Page 1 of Sample EE File

Microsoft Excel - EE101.xls

File Edit View Insert Format Tools Data Window Help

Arial MT 10 B I U

J	K	L	M	N	O	P	Q	R
1	Page 2	EMPLOYEE PAYROLL DATA FILE					YEAR >	2001/2002
2	Date	Tax Code	CONTRACTED-OUT 'S' NO.			EMP CODE >	101	
3	06 04 2001	453L	PENSION CONTRIBUTION FIXED >			0.00	or % GP >	0.00%
4			TAX CODE IN USE > 453L			NUMERIC VALUE >	453	
5			TAX BASIS REQUIRED: C, P, BR, BRC, DO, NT, or M					
6	P11	1e	1h	1i	9	1j		
7	Per	NI EE	CUM NI EE	NI ER	CUM NI ER	SSP	SMP	WF/OTC
8	1	19.50	19.50	23.21	23.21	0.00	0.00	30.00
9	2	19.50	39.00	23.21	46.42	0.00	0.00	30.00
10	3	19.50	58.50	23.21	69.63	0.00	0.00	30.00
11	4							
12	5							
13	6							
14	7							
15	8							
16	9							
17	10							
18	11							

Ctrl+Shift+M restores 'P14 Generator' menu.

Start Microsoft Excel - EE1... Microsoft Word - Picture in...

Figure 4-2 : Page 2 of Sample EE File



Microsoft Excel - EE101.xls

File Edit View Insert Format Tools Data Window Help

83%

S	T	U	V	W	X	Y	Z	AA	
1	Page 3	EMPLOYEE PAYROLL DATA FILE						YEAR	> 2001/2002
2	Date	NI Table	EMP CODE						> 101
3	06 04 2001	A	REGULAR AFTER TAX ADJUSTMENT (+ or -)						> -40.00
4			NO OF LAST PERIOD NO. WHEN ADJUSTMENT TO BE MADE						> 12
5									
6	P11	1a	1b	Not in use	1c	1f	1g	1d	
7	Per	NIPAY1	NIPAY2	NIPAY3	NIPAY4	Rebate EE	Rebate ER	T	GR_NICS
8	1	72	15.00		195.00	0.00	0.00	A	42.71
9	2	72	15.00		195.00	0.00	0.00	A	42.71
10	3	72	15.00		195.00	0.00	0.00	A	42.71
11	4								
12	5								
13	6								
14	7								
15	8								
16	9								
17	10								
18	11								

Data

<Ctrl+Shift+M> restores "P14 Generator" menu.

Start

Microsoft Excel - EE1...

Microsoft Word - Picture in...

Figure 4-3 : Page 3 of Sample EE File

The PAYCAL.XLS computation file carries out the various calculations for the payroll preparation in the following stages. The input information for each employee for the week or month (the Current Pay Period) is entered into a table in the worksheet. The data brought forward from the previous pay period is extracted from each employee's EE file, and the current period then processed. This automatically calculates the current pay-slip information and updates the employees' EE files. The pay-slips and the Employees' Data Table and Summary for the period may then be printed. Screens of a sample pay-slip and the period reports are shown on the following pages. The Employees' Data Table for Period 3 has only two employees.

Note that the columns of NI data on Page 3 of the EE file are only used to complete the employee's end of year return to the Inland Revenue, Form P14. They are referenced to the Inland Revenue Form P11, the Deductions Working Sheet, column headers 1a, 1b, 1c, 1f, 1g and 1d to which we have given the short names: **NIPAY1**, **NIPAY2**, **NIPAY4**, **Rebate EE**, **Rebate ER**, and **GR\_NICS** respectively. These columns, first new in 2000/2001, enable the Inland Revenue to check that the correct NICs have been paid for the respective employee. The first column, **NIPAY1**, indicates where Earnings reach or exceed the Lower Earnings Limit, LEL, to qualify the employee for benefits.

The column headed **T** gives the NI Category (Table Letter) used for any pay period and is required at year end to produce the totals of the NI data for each Table Letter employed during the PAYE year.

Microsoft Excel - paycal.xls

File Edit View Insert Format Tools Data Payroll Window Help

<b>PAY-SLIP</b>		PAY PERIOD NO: 3		DATE: 20-Apr-01	
COMPANY: My Company Plc		NI NUMBER: A123456Z		EMP CODE: 101	
NAME: A J JONES					
Hrs 1	38.00	Rate 1	6.00		
Hrs 2	2.00	Rate 2	9.00		
Hrs 3	3.00	Rate 3	12.00		
Basic				<b>PAY</b>	
Adjust1				INCOME TAX -39.39	
Adjust2				NI EMPLOYEE (net) -19.50	
Benefits				<b>NET PAY</b> 223.11	
<b>GROSS PAY FOR PERIOD</b> 282.00				MANUAL ADJUST (1) 55.00	
REGULAR PENSION CON.		AVC		MANUAL ADJUST (2)	
SSP				REGULAR ADJUST -40.00	
SNP				SLR	
GROSS PAY TO DATE 846.00				WFTC & DPTC 30.00	
PENSION CON. TO DATE				<b>NET PAYMENT</b> 268.11	
PAY TO DATE 846.00				NI EMPLOYER (net) -23.21	
TAX PAID TO DATE 117.95				TAX CODE 453L	
NI EMPLOYEE (Gross) TO DATE 58.50		TAX EXS		TAXATION BASIS C	
NI EMPLOYER (Gross) TO DATE 69.63				NI CATEGORY A	

<Ctrl+M> inserts Payroll menu item : <Ctrl+K> Excel Mode

Microsoft Excel - pay... Microsoft Word - Picture in...

Figure 4-4 : Sample Pay-slip

Microsoft Excel - paycal.xls

File Edit View Insert Format Tools Data Payroll Window Help

20-Apr-01		EMPLOYEES' DATA TABLE					My Company Plc				
PERIOD: 3											
DEPT	CODE	NAME	BASIC	ADJUST1	ADJUST2	BENEFITS	HRS 1	RATE1	HRS 2	RATE 2	HRS 3
	101	A J JONES					38.00	6.00	2.00	9.00	3.00
	102	B M BROVN	500.00	25.00		45.00					
	103										
	104										
	105										
	106										
	107										
	108										
	109										
	110										
	111										
	112										
	113										
	114										
	115										
	116										
	117										
	118										
	119										
	120										
	121										
	122										

StartMicrosoft Excel - pay...Microsoft Word - Picture in...08:52

Figure 4-5 : Employees' Data Table (Top Left)

The lower part of the Period Summary is shown in Figure 4-6 below.

EMPLOYER'S NI		65.75
NATIONAL INSURANCE PAYABLE TO IR		125.58
SMP RECOVERY		
EMPLOYER'S NIC RECOVERY (SMP) @		
SSP exceeds 13% NICs by		
SSP RECOVERY (NEGATIVE MANUAL ENTRY)		
<b>NET NATIONAL INSURANCE DUE TO IR</b>		<b>125.58</b>
<b>TAX AMOUNTS DEDUCTED DUE TO IR</b>		<b>149.84</b>
WFTC & DPTC PAID TO EMPLOYEES		(30.00)
STUDENT LOAN RECOVERY (SLR)		
<b>NET TAX DUE TO IR</b>		<b>119.84</b>
<b>TOTAL AMOUNT DUE TO IR FOR PERIOD:3</b>		<b>245.42</b>
		<b>872.75</b>
EMPLOYEES' GROSS PAY		852.00
EMPLOYER'S NI (LESS NI RECOVERY & BENEFITS FOR NI PURPOSES)		20.75
<b>TOTAL COST OF PAYROLL TO EMPLOYER</b>		<b>872.75</b>

Figure 4-6 : Period Summary Report (Bottom Left)

No tax or NI tables are required to perform the processing of each pay period.

The *PCC Excel Payroll* is primarily designed for use on a hard-disk system, but it will run a limited number of employees with the data files on a floppy disk (preferably high density). Please contact PC Challenge if you need advice on using floppy disks. The following tutorial assumes you are using a hard-disk system for your data files.

## Tutorial 1 Setting up *PCC Excel Payroll*

### Loading the *PCC Excel Payroll* Computation File

Load the *PCC Excel Payroll* computation file, **PAYCAL.XLS**, as described in Chapter 3, page 10. The Figure 4-7 on the next page displays the opening screen of *PCC Excel Payroll* after the **Payroll** menu item has been selected. :

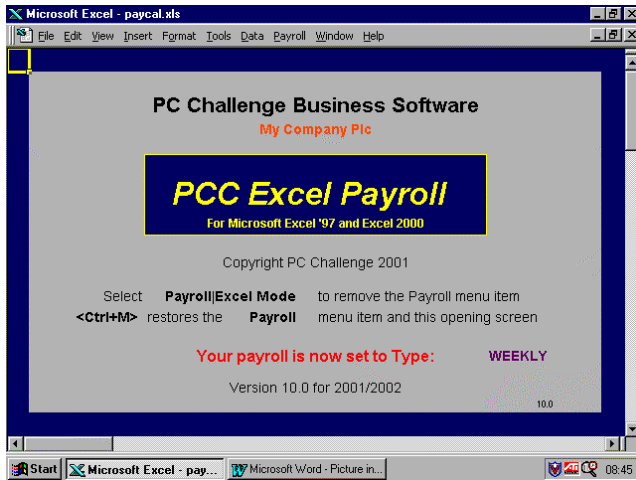


Figure 4-7 : the *PCC Excel Payroll* Opening Screen

You may press the <Alt> or <F10> key and then use the cursor keys to access the menu items with the keyboard.

Note the <Ctrl+M> key will return you to this opening screen and if necessary restore the **Payroll** menu item to the Excel menu bar. The command <Ctrl+K> will give full *spreadsheet mode*, at the same time removing the **Payroll** menu item to give the standard Excel menu bar. It includes Headings and Tabs.

## Preliminary and Set Up Procedures

Some or all of the following preliminary procedures will need to be undertaken before *PCC Excel Payroll* is ready for use :

- w Set Payroll Type (Weekly, 2-weekly, 4-weekly, Monthly, etc.);
- w Modify the Employee Codes;
- w Set SMP Recovery Option
- w Enter the Company's Name;
- w Set Tax Relief Option for Pension Contributions;
- w View or Modify the Tax Tables;
- w View the NI Tables;
- w Customise the Pay-slip and Period Summary Report;

- w Create the Employees' Data or **EE** Files;
- w Enter Personal Details in the **EE** files;
- w Procedure for starting *PCC Excel Payroll* in midyear.

## Set Payroll Type (Weekly, 2-weekly, 4-weekly, Monthly, etc.)

We will select the **Set Up** option from the **Payroll** menu:

<b>Select</b>	<b>Payroll</b>	
<b>Select</b>	<b>Set Up</b>	(to give the <b>Set Up</b> options dialog
<b>Select</b>	<b>Payroll Type</b>	

A dialog box with the various **Payroll Type** options displays from which you should select your choice for running your payroll : Monthly, Weekly, 2-weekly, 4-weekly, etc. The original **PAYCAL.XLS** file, supplied with *PCC Excel Payroll*, is set to **Weekly**. This is the setting we wish to use for this tutorial, so we 'click on' the Opening Screen background or press <Esc> repeatedly to clear the **Payroll Menu**. Note the indicator at the bottom of the screen, which confirms the active setting is **WEEKLY**.

If you decided to change the setting to, say, Monthly the amended **PAYCAL.XLS** file should be saved to overwrite the existing file on disk in your folder (directory) **\PAY0102**. We are not going to do this now however, but if we did, the steps would be :

<b>Select</b>	<b>File</b>
<b>Select</b>	<b>Save</b>

If you are going to operate, say, a weekly and monthly payroll, you will need to install the *PCC Excel Payroll* application and employee data files in separate folders of your choice, e.g. **\PAYWEEK** and **\PAYMONTH**, (see Chapter 2, page 6).

## Modify the Employee Codes

The default employee codes are 101 to 160. It is possible to modify the codes by redefining or importing codes and employee names from other files (see the Technical Section, page 53, for further details).

We will not change the default codes, but the initial steps would be:

**Select Payroll**  
**Select Set Up** (to give the **Set Up**  
**Select Modify Employee Codes**

You are offered the default first Employee Code, **101**.

Because we are not changing the default codes:

**Select Cancel**

## Set SMP Recovery Option

If you are entitled to Small Employers Relief you may use the menu option **Payroll|Set Up|SMP Recovery** to set 100% recovery (instead of the default 92%) by entering **Y** for 'Yes'. The default is 'No' which we will not alter.

## Enter the Company's Name

In order for your company/organisation's name to appear on the pay-slips of each employee it is necessary to tell the system the required employer's name.

We will first select **Payroll|Input Data|Period** to enter the Company Name:

**Select OK** (to clear the informative dialog box)

You are now out of automatic control and are free to enter a new company or employer's name in the cell where the name PC CHALLENGE already appears as a default: so for practice:

**Press <Down> 6 times**  
**Type PC CHALLENGE** (or your choice maximum 20)  
**Press <Enter>**

The screen on the next page shows the Current Pay Period Screen with the Pay Period Number, Date and Company Name.

At this stage we are not going to change the pay period number or date cells, so :

**Press <Ctrl+M>** (To return to the opening screen)

If you have made a name change you should once again save the amended computation file to preserve the new company name.

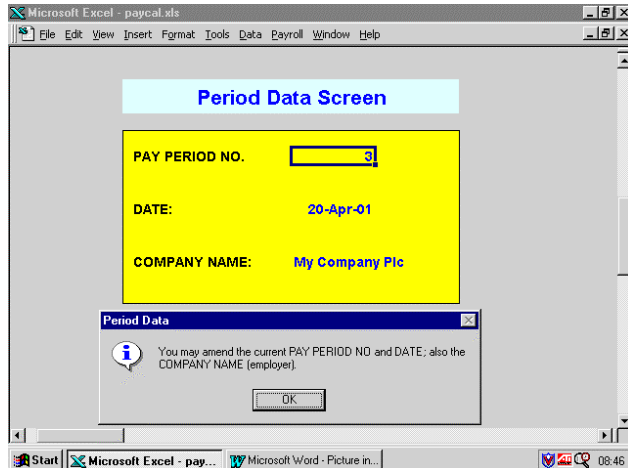


Figure 4-8 Period Data Screen

## Set Tax Relief Option for Pension Contributions

You may use the menu option **Payroll|Set Up|Pension Tax Relief** to set the tax relief option for employees' pension contribution by entering Y/N for 'Yes'/'No'. The default is 'Yes' which we will not alter. Please note that this setting applies to all employees in the respective payroll installation.

The employees' contributions for the new **Stakeholder Pensions** for 2001/2002 are normally a deduction from Net Pay, i.e. *after* the deduction of tax. Thus, no tax relief at source - set the option to **N** for 'No'. Please check this with your pension provider.

## View or Modify the Tax Tables

You may examine or edit the settings for rates and bands at any time when you are in the **Payroll|Set Up** menu.

Select	<b>Payroll</b>	
Select	<b>Set Up</b>	(to give the <b>Set Up</b> options dialog box)
Select	<b>Tax Table</b>	

PC Challenge will produce a new version of the software every year following the November Pre-Budget Statement or as and when necessary.

## View the NI Tables

You may examine the settings for rates and bands at any time when you are in the **Payroll|Set Up** menu by selecting **NI Tables**.

<b>Select</b>	<b>Payroll</b>	
<b>Select</b>	<b>Set Up</b>	(to give the <b>Set Up</b> options dialog box)
<b>Select</b>	<b>NI Tables</b>	(to view only)

**Table A**, for example, is used for the majority of employees who have not contracted out of the State Pension Scheme. Use the **<PgDn>** key to view further Tables for contracted-out employees and the NI Compensation Rate setting.

These Tables are on the 'protected' worksheet, NI Tables, that requires a password to be unprotected; they are provided for information only.

PC Challenge will produce a new version of the software every year following the November Pre-Budget Statement or as and when necessary. We will now examine how you may customise the labels in the pay-slip and the headings in the Employees' Data Table.

## Customise the Pay-slip and Employees' Data Table

You may wish to change some of the labels in the master pay-slip and the Employees' Data Table (and Summary) to those of your choice. We will not do so in this tutorial but the steps required to bring up the master pay-slip screen would be as follows:

<b>Press</b>	<b>&lt;Ctrl+K&gt;</b>	(for <i>Spreadsheet Mode</i> )
<b>Press</b>	<b>&lt;F5&gt;</b>	(Goto Key)
<b>Type</b>	<b>PAYSLIP</b>	(range name of master pay-slip)

The cells: **Screens:O22** to **Screens:O27**, **Screens:Q22** to **Screens:Q27** and **Screens:T28** to **Screens:T30** contain unprotected labels which you may hide or modify as you wish.

For example, you may wish to replace the default **Basic** by the term **Salary** or **Hrs 2** by **O/T1.5** for overtime at basic rate plus 50%. You may also change the **Text Properties** or hide the contents of any cell not in use.



In the same way you may edit the column titles in the Employees' Data Table by selecting **Payroll|Summary|View Summary**. When you have finished you should save the file with **<Ctrl+S>** if you have made changes.

Please note that, when the pays-slips and other reports are printed, the zeros will **not** be printed.

## Create the Employees' Data or EE Files

When you receive the *PCC Excel Payroll* you are provided with an **EE0.XLS** Employee Data (**EE**) File template on the master *PCC Excel Payroll* disk.

You will need to create an **EE** file for each employee to be included in your payroll. (Note the **PAYCAL.XLS** file has already been set up to handle 60 employees.) Use the **EE0.XLS** template provided to create these **EE** files. The following exercise will create an **EE** file **EE101.XLS** for your employee number 101. You should start by opening the **EE0.XLS** file from your hard disk:

**Press**                    **<Ctrl+K>**     to give *Excel Spreadsheet Mode*

We advise you to be in *Excel Spreadsheet Mode* when you open an **EE** file. The **<Ctrl+K>** key was used to restore any hidden columns and the spreadsheet frame; it also removes the **Payroll** menu item since this menu cannot be used when you are working on an **EE** file. We will use the **File** menu to open the **EE0.XLS** Employee Data File template:

<b>Select</b>	<b>File</b>	
<b>Select</b>	<b>Open</b>	
<b>Select</b>	<b>EE0.XLS</b>	(to retrieve the template file)
<b>Select</b>	<b>OK</b>	
<b>Move to :</b>	<b>Cell I1</b>	(to change the payroll 'year')
<b>Type</b>	<b>'2001/2002</b>	(the ' to produce a label entry)
<b>Press</b>	<b>&lt;Down&gt;</b>	(to change the Employee Code)
<b>Type</b>	<b>101</b>	(for Employee Code 101)
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Press</b>	<b>&lt;Alt+PgDn&gt;</b>	(To move a screen, 'Page', to the right)

You may check that the *year* and *Employee Code* details have appeared on this page. That completes the preparation of **EE101.XLS** file which is now ready for the employee data and must be saved:

<b>Select</b>	<b>File</b>	
<b>Select</b>	<b>Save As</b>	(to save file with new name <b>EE101.XLS</b> )

**Type**                **EE101**  
**Select**             **OK**

Note the file extension (**.XLS**) is added automatically by the program. This procedure may then be repeated for as many extra **EE** files as you require. If you are making a series of new **EE** files it is not necessary to start each time from the **EE0.XLS**. Instead simply edit the **EE** file on screen to the required new number and save the file to the file name "**EE**" followed by that new number.

When you have finished work on a particular **EE** file you should always *close* it:

**Select**                **File**  
**Select**                **Close**

This will return you to the open **PAYCAL.XLS** file.

## Enter Personal Details in the EE files

This process can be divided into two stages:

Essential Data (to run payroll)	Default Entries	Cell
Employee Surname	None	<b>A2</b>
Employee Forename 1	None	<b>A3</b>
Employee Forename 2	None	<b>A4</b>
NI Number	None	<b>G5</b>
Employee Tax Code in use	453L (emergency code)	<b>O4</b>
Numeric Tax Code	453 (no prefix/suffix)	<b>R4</b>
NI Table in use	A (not contracted-ou)	<b>I5</b>
NI Director	0 (Mthly/Wkly basis)	<b>I4</b>
Tax Basis	C (cumulative)	<b>R5</b>
Pension Contribution - Fixed	0 (none)	<b>P3</b>
Pension Contribution - %	0 (none)	<b>R3</b>
Regular Adjustment Amount	0 (none)	<b>AA3</b>
Regular Adjustment Period	0 (none)	<b>AA4</b>

Optional Personal Details	Cell
Address	C3 to C5
Date of Birth	G2
Start Date with Employer	G3
Left Date	G4
Dates with Tax Code Changes	K3 to L5
Dates with NI Table Changes	T3 to U5

We will now take you through the process of entering the Essential Data and Optional Personal Details for the employee, Mr A JONES, to produce the **EE101.XLS** file (see Overview section on pages 11-12).

First open the template, *empty of data* file, **EE101.XLS**, you have created by using the **File** menu:

<b>Press</b>	<b>&lt;Ctrl+K&gt;</b>	(Spreadsheet Mode)
<b>Select</b>	<b>File</b>	
<b>Select</b>	<b>Open</b>	
<b>Select</b>	<b>EE101.XLS</b>	(A J Jones' EE file)
<b>Select</b>	<b>OK</b>	(to bring up the file)
<b>Move to :</b>	<b>Cell A2</b>	(to enter Surname)
<b>Type</b>	<b>JONES</b>	
<b>Press</b>	<b>&lt;Down&gt;</b>	(to enter First Forename)
<b>Type</b>	<b>ALAN</b>	
<b>Press</b>	<b>&lt;Down&gt;</b>	(to enter Second Forename)
<b>Press</b>	<b>JAMES</b>	
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Move to :</b>	<b>Cell C3</b>	(to enter address)
<b>Type</b>	<b>'12, Orchard</b>	(" ' " for label entry)
	<b>Avenue</b>	
<b>Press</b>	<b>&lt;Down&gt;</b>	
<b>Type</b>	<b>East Dulwich</b>	
<b>Press</b>	<b>&lt;Down&gt;</b>	
<b>Type</b>	<b>London</b>	
	<b>SE22 4EZ</b>	

<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Move to :</b>	<b>Cell G2</b>	(for date of birth)
<b>Type</b>	<b>24/01/45</b>	(displays as 24 01 1945, P14 format)
<b>Press</b>	<b>&lt;Down&gt;</b>	(for Start Date of employment)
<b>Type</b>	<b>1/01/92</b>	(displays as 01 01 1992, P14 format)
<b>Press</b>	<b>&lt;Down&gt;</b>	
<b>Press</b>	<b>&lt;Down&gt;</b>	
<b>Type</b>	<b>A123456Z</b>	(NI number)
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Move to :</b>	<b>Cell I1</b>	( <i>year</i> should already be entered)
<b>Press</b>	<b>&lt;Down&gt;</b>	(Employee Code 101 already be present)
<b>Press</b>	<b>&lt;Down&gt;</b>	(for Directors' NI setting)
<b>Press</b>	<b>&lt;Down&gt;</b>	(accept default <b>0</b> for normal NI Earnings Period)
<b>Press</b>	<b>&lt;Down&gt;</b>	
<b>Type</b>	<b>A</b>	(NI Table letter)
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Press</b>	<b>&lt;Alt+PgDn&gt;</b>	(BIGRIGHT)
<b>Move to</b>	<b>Cell K3</b>	
<b>Type</b>	<b>6/4/01</b>	(displays as 06 04 2001)
<b>Press</b>	<b>&lt;Right&gt;</b>	
<b>Type</b>	<b>'453L</b>	(code number at 6 April 2001)
<b>Press</b>	<b>&lt;Enter&gt;</b>	

These cells (K3 to L5) are for memo purposes only. The Tax Code in use must now be entered in cell O4 with the numeric value in cell R4 (the numeric value of a K Code is negative):

<b>Move to</b>	<b>Cell O4</b>	
<b>Type</b>	<b>453L</b>	(actual current tax code number in use)
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Move to</b>	<b>Cell R4</b>	
<b>Type</b>	<b>453</b>	(numeric tax code number; note no suffix)
<b>Press</b>	<b>&lt;Down&gt;</b>	
<b>Type</b>	<b>C</b>	(for <i>Cumulative</i> Tax Basis)
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Press</b>	<b>&lt;Alt+PgDn&gt;</b>	(BIGRIGHT)
<b>Move to</b>	<b>Cell T3</b>	

<b>Type</b>	<b>6/4/01</b>	(memo only; displays as 06 04 2001)
<b>Press</b>	<b>&lt;Right&gt;</b>	
<b>Type</b>	<b>A</b>	(NI Table letter)
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Move to</b>	<b>Cell AA3</b>	
<b>Type</b>	<b>-40</b>	(regular £40 deduction (-) after tax)
<b>Press</b>	<b>&lt;Down&gt;</b>	
<b>Press</b>	<b>12</b>	(last period to be made 12, i.e. for 12 weeks)
<b>Press</b>	<b>&lt;Enter&gt;</b>	

This completes the entries to **EE101.XLS** which must be saved and closed:

<b>Select</b>	<b>File</b>	(alternative command press <Ctrl+S>)
<b>Select</b>	<b>Save</b>	(To save (replace) file <b>EE101.XLS</b> )
<b>Select</b>	<b>File</b>	
<b>Select</b>	<b>Close</b>	

Now some entries for employee 102, B Brown, retrieving the employee data file **EE102.XLS**:

<b>Select</b>	<b>File</b>	
<b>Select</b>	<b>Open</b>	
<b>Select</b>	<b>EE102.XLS</b>	(B M Brown's <b>EE</b> file)
<b>Select</b>	<b>OK</b>	
<b>Move to :</b>	<b>Cell A2</b>	(to enter Surname)
<b>Type</b>	<b>BROWN</b>	
<b>Press</b>	<b>&lt;Down&gt;</b>	(to enter First Forename)
<b>Type</b>	<b>BRIAN</b>	
<b>Press</b>	<b>&lt;Down&gt;</b>	(to enter Second Forename)
<b>Type</b>	<b>MICHAEL</b>	
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Move to :</b>	<b>Cell C3</b>	(to enter address)
<b>Type</b>	<b>'105, North Terrace</b>	(" ' " for label entry)
<b>Press</b>	<b>&lt;Down&gt;</b>	
<b>Type</b>	<b>Putney Hill</b>	
<b>Press</b>	<b>&lt;Down&gt;</b>	

Type	London	
	SW15 6AA	
Press	<Enter>	
Move to :	Cell G2	
Type	15/03/71	(displays as 15 03 1971, P14 format)
Press	<Down>	
Type	12/06/88	(displays as 12 06 1988, P14 format)
Press	<Down>	
Press	<Down>	
Type	B123456X	(NI number)
Press	<Enter>	
Move to :	Cell I1	( <i>year</i> should already be entered)
Press	<Down>	(Employee Code 102 already present)
Press	<Down>	
Press	<Down>	(accept default <b>0</b> for normal NI Earnings Period, not a Director)
Press	<Down>	
Type	D	(NI Table letter: contracted out)
Press	<Enter>	
Press	<Alt+PgDn>	(BIGRIGHT)
Move to	Cell K3	
Type	6/04/01	(displays as 06 04 2001)
Press	<Right>	
Type	K100	( <b>K</b> code number at start of year)
Press	<Enter>	

These cells (K3 to L5) are for memo purposes only. The Tax Code in use must now be entered in cell O4 with the numeric value in cell R4 (the numeric value of a K Code is negative):

<b>Move to</b>	<b>Cell R3</b>	
<b>Type</b>	<b>5%</b>	(pension contribution @ 5% gross pay)
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Move to</b>	<b>Cell O4</b>	
<b>Type</b>	<b>K100</b>	(actual current tax code number in use)
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Move to</b>	<b>Cell R4</b>	
<b>Type</b>	<b>-100</b>	(numeric tax code number; note no suffix and the negative for a <b>K</b> code)
<b>Press</b>	<b>&lt;Down&gt;</b>	
<b>Type</b>	<b>C</b>	(for <b>Cumulative</b> Tax Basis)
<b>Press</b>	<b>&lt;Enter&gt;</b>	
<b>Press</b>	<b>&lt;Alt+PgDn&gt;</b>	(BIGRIGHT)
<b>Move to</b>	<b>Cell T3</b>	
<b>Type</b>	<b>6/04/01</b>	(memo only; displays as 06 04 2001)
<b>Press</b>	<b>&lt;Right&gt;</b>	
<b>Type</b>	<b>D</b>	(NI Table letter, contracted-out)
<b>Press</b>	<b>&lt;Enter&gt;</b>	

This completes the entries to **EE102.XLS** which must be saved and *closed* as for employee data file **EE101.XLS**.

<b>Select</b>	<b>File</b>	(alternative command press <Ctrl+S>)
<b>Select</b>	<b>Save</b>	(To save (replace) file <b>EE102.XLS</b> )
<b>Select</b>	<b>File</b>	
<b>Select</b>	<b>Close</b>	

You are now ready to start using the *PCC Excel Payroll* if you intend to start in April for Period 1. In the next section we will look at the mid-year start option where your brought forward data balances must be entered on the Employees' Data Files.

## Procedure Required to Start *PCC Excel Payroll* in Mid-year

The procedures in the previous section assume that you are starting to use *PCC Excel Payroll* at the start of the PAYE year, Period 1. **If this is not the case, we strongly advise you to run *PCC Payroll* from 6 April** to build the employee data records automatically and act as a training aid since you will have ‘previous Period data’ with which to compare.

Alternatively, you may enter in each Employee’s Data file the GRPAY, PENSION, PAY, TAX, NIEE (1e), NIER, SSP (1i), SMP (1j), WF/DPTC, SLR, NIPAY1 (1a), NIPAY2 (1b), NIPAY4 (1c), Rebate EE (1f), Rebate ER (1g) and GR\_NICS (1d) brought forward total amounts, from your manual or other system. This is done in the respective Period (**and cumulated columns where applicable**) against the period number preceding the one in which the *PCC Excel Payroll* is to start. This is equivalent to inserting data for one aggregated pay period for the year to date figures. Finally add the appropriate NI Table letter on the same line in column **Z**.

If you are using a weekly payroll and entering brought forward data below the 20th line of the EE data file you may find it useful to use the Freeze Panes (Titles) feature to keep the Column and Line titles fixed. Before doing so place the cursor on Cell **B8** of the EE file, i.e. the first line of data or Period 1. The command required to set Horizontal Titles (Rows) is:

**Select Window|Freeze Panes**

You should remove the Titles feature, before saving the file with any changes and closing the file, with the following command:

**Select Window|Unfreeze Panes**

## Tutorial 2 Normal Operation of the Payroll

Load the *PCC Excel Payroll* as described in Chapter 3, page 10. This will retrieve the computation file **PAYCAL.XLS**. (The **EE** files are accessed automatically by **PAYCAL.XLS** during processing.) You may start from the opening screen; if necessary, press **<Ctrl+M>** to restore the **Payroll** menu item.

### To enter Date and Current Pay Period Number

To enter the Date and Current Pay Period Number you should start by selecting the **Payroll** menu item:



**Select Payroll**  
**Press Input Data**

The Period Data Screen you used to enter the company's name is now used to enter the Pay Period Number and Date (see Figure 4-8 on page 20).

**Select Period**  
**Select OK** (to continue)

For the first period you will have the default setting **1** already in the cell for the Pay Period No., so no entry is necessary. For subsequent periods you will have, as a guide, the number of the last period processed to which you may add 1 to give the Current Pay Period Number.

**Press <Down> twice**

You may then either edit the date with the **<F2>** edit key, or type a new date :

**Type 6/4/01** (displays as 06-Apr-01)

This cell has the format (DD-MMM-YY) – three letters for month; it is adequate and looks good on the pay-slip but you may of course change it.

**Press <Enter>**

When you are ready:

**Press <Ctrl+M>** (to return to the opening screen)

You are now ready to enter the employees' data for the period, that is the Gross Pay elements and the deductions, etc.

## **To Input Employees' Data for Current Pay Period**

To start the employees' data entry procedure for Period 1:

**Select Payroll**  
**Select Input Data**  
**Select Employees**

The Employees' Data Table should now be on the screen with the cursor in the **NAME** column of Employee 101 ready for you to enter data.

Let us assume that he receives his normal weekly pay of 38 hours at £6.00 per hour plus 2 hours overtime at £9.00 per hour and 3 hours double-time at £12.00 per hour.

The total of the employee's Gross Pay is calculated from any combination of the input elements by means of the following formula:

$$\text{BASIC} + \text{ADJUST1} + \text{ADJUST2} + \text{BENEFITS} \\ + (\text{HRS 1} * \text{RATE1}) + (\text{HRS 2} * \text{RATE 2}) + (\text{HRS 3} * \text{RATE 3})$$

The following screen shows the table before any entries:

	B	C	D	E	F	G	H	I	J	K	L
1		20-Apr-01	EMPLOYEES' DATA TABLE				My Company Plc				
2		PERIOD: 3									
3											
4	CODE	NAME	BASIC	ADJUST1	ADJUST2	BENEFITS	HRS 1	RATE1	HRS 2	RATE 2	HRS 3
5	101	A J JONES									
6	102	B M BROVNI	500.00	25.00		45.00					
7	103										
8	104										
9	105										
10	106										
11	107										
12	108										
13	109										
14	110										
15	111										
16	112										
17	113										
18	114										
19	115										
20	116										

Figure 4-9 : Employees' Gross Pay Elements

**Type**                      **A J JONES**  
**Press**                    **<Right>**

Now to enter the GROSS PAY elements for A Jones for Period 1:

**Press**                    **<Right> 4 times**            (for HRS 1, normal hours)  
**Type**                    **38**                                (38 normal hours)  
**Press**                    **<Right>**  
**Type**                    **6**                                (£6 per hour normal hours rate)  
**Press**                    **<Right>**  
**Type**                    **2**                                (2 hours overtime, *time-and-a-half*)  
**Press**                    **<Right>**

<b>Type</b>	<b>9</b>	(£9.00 per hour overtime rate)
<b>Press</b>	<Right>	
<b>Type</b>	<b>3</b>	(3 hours <i>double time</i> )
<b>Press</b>	<Right>	
<b>Type</b>	<b>12</b>	(£12.00 per hour overtime rate)
<b>Press</b>	<Right>	

The cursor is now in the GROSS PAY column which now contains the calculated GROSS PAY from the elements of £282.00. The next column is the regular employee pension contribution, a formula calculated from entries made in the employee's EE data file, when the Period is processed. Although the company has an approved pension scheme, which requires that the employee contributes 5% of Gross Pay, Mr Jones is not a member and pays NICs at the full Table A rate. We will also 'hop' over the AVC column which does allow a manual entry.

**Press**                   <Right> **3 times**

This week there is no SSP paid (Statutory Sick Pay), so :

**Press**                   <Right>

SMP paid (Statutory Maternity Pay) is not applicable in this case, so:

**Press**                   <Right> **4 times**

Notice we have 'hopped' over the TAX, NIEE, and NET PAY columns since these contains formulae which look up the respective amounts from the pay-slips **after the period is processed**.

If your employee has an MANUAL (1) deduction after tax (-) or addition (+), such as expenses, you would enter it now. In this case suppose that Mr Jones has claimed £55 expenses:

<b>Type</b>	<b>55</b>	(reimbursement, so positive)
<b>Press</b>	<Right> <b>four</b>	
	..	

You are now in the WF/DPTC column for the addition of tax credits (+). You have been instructed by the Inland Revenue to pay Mr. Jones a £30 per week Working Family Tax Credit.

<b>Type</b>	<b>30</b>	<b>(£30 per week WFTC)</b>
-------------	-----------	----------------------------

**Press**

**<Right> twice**

This time we have 'hopped' over the NET PAYMENT column since this also contains formulae which look up the NET PAYMENT from the pay-slips when the period is processed. The final column also contains formulae that reference the pay-slips for the Employers NI, NIER. This column is provided for reference purposes only.

You have now completed the entries for your first employee's payroll data for the current pay period, Period 1. You may now proceed to enter the data for the next employee after you have moved the cursor to the NAME column of the next line down.

**Press**                    **<Home>**                    (to return to Name  
column, C)

**Press**                    **<Down>**

**Type**                    **B M BROWN**

**Press**                    **<Right>**

You should now be in the BASIC column for Mr B Brown. Let us assume that he receives his basic weekly pay of £500.

**Type**                    **500**                    (weekly wage)

**Press**                    **<Right>**

**Type**                    **25**                    (£25 commission or bonus)

**Press**                    **<Right> twice**

The BENEFITS column is provided for you to enter amounts paid to the employee as expenses on which Class 1 NI is payable. The amount entered in this column is not included in PAY, i.e. it is not taxed, so it is not part of NET PAY or NET PAYMENT. It is assumed that the employee has already received the amount of expenses from the Petty Cash or whatever.

**Type**                    **45**                    (£45.00 benefit)

**Press**                    **<Right> 7 times**

The cursor is now in the GROSS PAY column which contains the calculated GROSS PAY from the elements of £500+£25+£45 i.e. £570.00. The next column is the pension contribution which will be calculated from entries made in the employee's EE data file. Mr Brown is a member paying 5% of his gross pay; he pays NICs at the reduced Table D rate.

**Press**                    **<Right> twice**    (for AVC column)

This week there is no AVC or SSP paid (Statutory Sick Pay), so :

**Press**                    **<Right> twice**    (for SSP column)

SMP paid (Statutory Maternity Pay) is not applicable in this case, so:

**Press**                    **<Right> 4 times** (for Manual 1 Adjustment column)

Notice we have "hopped" over the TAX, NI EE and NET PAY columns since these columns contain formulae which reference the pay-slips (when the period has been processed).

If your employee has a MAN (1) deduction after tax (-) or addition (+), such as expenses, you would enter it now. In this case there are no manual adjustments.

**Press**                    **<Right> 3 times**

There are no SLR or WF/DPTC entries for this employee. You have now completed the entries of your second employee's payroll data for the current pay period, Period 1. You should now proceed to enter the data for the next employee after you have moved the cursor to the NAME column of the next line down.

**Press**                    **<Home>**                    (to return to Name

**Press**                    **<Down>**                    **<Down>**

The above procedure should be repeated until the payroll data for all the employees has been entered for the current pay period. In subsequent pay periods you will not have to enter the employee's name; it will only be necessary to edit the Gross Pay elements. When you have finished :

**Press**                    **<Ctrl+M>**                    (to reset the **Payroll** menu item and return you to the Opening Screen )

**Press**                    **<Ctrl+S>**                    (to save the file)

If you wish to **View** or **Print Dept Analysis** from the **Payroll|Period Reports** menu option a numeric departmental number must be allocated to each employee. These should be entered in the **DEPT** column in the Employees' Data Table immediately to the right of the Employee Codes, column AB. This column is normally hidden but can be accessed by pressing <Ctrl+K> for Excel (Spreadsheet) Mode when using the option **Payroll|Input Data|Employees**.

## To Process the Current Pay Period

You have now reached the stage where you are ready to process the Current Pay Period. Select the **Process Period** option from the **Payroll** menu to process the current pay period.

**Select                  Payroll**  
**Select                  Process Period**

Before processing can begin there are various choices and check questions to be answered with a view to reducing the possibility of errors. You can now choose whether you wish to process *All* employees or *One* selected employee. We will select *All* since we have two **EE** files in this tutorial:

**Select                  All Employees**

A dialog box now appears with the following question:

*"Have you changed the Period No. and Date?"*

We changed these in an earlier stage of this tutorial (see pages 29-30) so we :

**Select                  Yes**

If you elect *No* you will be returned to the Period Data screen where the Date and Current Pay Period Number can be changed.

If you select *Yes* you will be asked to enter the *highest* Employee Code Number in your payroll. This is to reduce the processing time to a minimum and to determine the last pay-slip to be printed. A dialog box now appears with the following message:

*"Enter HIGHEST Employee Code Number to process"*

In this tutorial we are only processing two employees, A J Jones and B M Brown, so the highest Employee Code Number is 102 with our choice of Employee Codes 101 to 160.

**Type**                    **102**                    (or your choice)  
**Select**                **OK**

Now you will be asked to confirm the Current Pay Period Number by a further dialog box:

*Enter current PAY PERIOD NUMBER*

**Type**                    **1**                    (or your choice)  
**Select**                **OK**

The application will now proceed to process your payroll for Period 1.

Should you not enter the same number as that previously entered during the **Payroll|Input Data|Period** procedure - an error, a *Stop* alert box will be displayed. This is because the current Pay Period Number is so vital to the processing calculations that every opportunity is taken to check that it is correct. Selecting **OK** will give you the choice of returning to the Period Data screen to amend the period number.

The purpose of the *One* option is to correct the processing of one employee should an error be found after processing the payroll (see next section). Note the *One* option does not affect the other employees' pay-slips and only overwrites the single employee's pay-slip selected, whereas the *All* option erases all previous pay-slips before processing starts.

Please note that you may reprocess the Current Pay Period using the *All* option at any time before you have processed the next pay period and the data in the employee **EE** files will simply be overwritten. However, if you wish to reprocess a previous pay period any subsequent periods to this period will then have to be reworked. It is always preferable to correct a previous pay period error by an adjustment in the current pay period.

Your work for the period is now complete except for the task of printing the pay-slips and printing the Employees' Data Table and Summary for the period. The **Payroll** menu also provides the option **Bank** for viewing and printing a bank Giro payment form. The option **Pension** will allow you to view or print a Table of employee pension contributions with Minimum Payments for contracted-out employees in a COSR or COMP scheme.



The processing time will depend on the number of staff in your payroll and the processing speed of your personal computer. However, it is not necessary for the operator to attend the computer during this operation.

As each employee's data is processed the appropriate **EE** file is brought on to the screen, the various figures for the period are added and then the **EE** file is extracted and saved automatically. At the end of the processing operation the payroll computation file, **PAYCAL.XLS**, is also saved.

Should the pay-slip for a particular employee indicate a tax refund greater than the default Refund Limit of £200, the program will pause displaying a warning screen with alternative options should you not have authority to make such a large refund.

## To Examine Pay-slips

By selecting **Payroll|Pay-slips|View Pay-slips** you can examine the pay-slips for the employees, before you print them out, using the **<PgUp>** and **<PgDn>** keys.

If you have made a mistake in a particular employee's data you can correct it by the following procedure :

<b>Select</b>	<b>Payroll</b>
<b>Select</b>	<b>Input Data</b>
<b>Select</b>	<b>Employees</b>

You are now in the Employees' Data Table. Use the **<Down>** key repeatedly until you reach the employee you wish to change, then edit the data as you wish.

Select **Payroll|Process|One Employee** to process the current Pay Period again for one selected employee.

## To Print Pay-slips for Current Pay Period

Selecting **Payroll|Pay-slips|Print Pay-slips** will enable you to print the pay-slips when you have completed the processing for the period. A screen showing a sample pay-slip is shown in the Overview section, Figure 4-4, page 15.

<b>Select</b>	<b>Payroll</b>
<b>Select</b>	<b>Pay-slips</b>
<b>Select</b>	<b>Print Pay-slips</b>

Depending on the number of employees that you have processed in your payroll, the program will print the necessary number of pages, three pay-slips each 20 lines deep to each page. The pay-slips are printed using the default Windows printer giving full **WYSIWYG** formatting and attributes.

## To View or Print Period Reports

Selecting **Payroll|Period Reports** will offer you a menu of options to view or print the **Employees' Data Table** (EDT), the **Summary** for the current Pay Period and **Dept Analysis**. The Summary is situated on its own worksheet. We will first print out the EDT and Summary for Period 1.

The EDT gives the data entered or processed for the pay period for each employee; this is printed on two pages in *portrait* orientation. The third sheet, the Summary for Period, gives just the total amounts for the current pay period for all employees, i.e. totals of Net Pay, After Tax Adjustments, Total Net Payments etc.; also the total amount of tax deducted and the net National Insurance due to the Inland Revenue for the period after adjustments for the recovery of any SSP and SMP. The screens showing the Employees' Data Table and Summary for Period are shown in the Overview section, Figures 4-5 and 4-6 on pages 15 and 16.

Select	<b>Payroll</b>	
Select	<b>Period Reports</b>	
Select	<b>Print Employers' Data Table</b>	(or Print Summary)

The Employees' Data Table prints with all columns up to and including Gross Pay on Page 1; the remainder to column NI ER, employer's NICs, on Page 2.

The **Dept Analysis** report is the same as the Employees' Data Table but with only the data for one selected Department Number. You will only be able to view or print out 'extracts' of the EDT with the **Dept Analysis** options if you have previously entered a departmental number for each employee (see page 35). These Department Numbers should be entered in the **DEPT** column of the Employees' Data Table, a column **AB**, situated immediately to the right of the Employee Codes. This column is normally 'hidden' but can be accessed by pressing <Ctrl+K> for Spreadsheet Mode when using the option **Payroll|Input Data|Employees**.

## To View or Print Bank Giro Payment Form

Selecting **Payroll|Bank Giro** will enable you to view or print the Bank Giro Payment Form. For example to view:

**Select Payroll**

**Select Bank**

**Select View Giro Form**

BANK GIRO PAYMENT FORM						
20-Apr-01 PERIOD: 3						
NET						
CODE	NAME	PAYMENT	SORT CODE	BANK A/C NO	BANK	BRANCH
101	A J JONES	268.11	20 56 97	12345678	MIDBARC	OLDTOWN
102	B M BROVYN	347.97	30 71 33	23456789	FAMILY	NEWTOWN
103						
104						
105						
106						
107						
108						
109						
110						
111						
112						
113						
114						
115						
116						
117						
118						
119						
120						
121						

Figure 4-10 : Bank Giro Payment Form

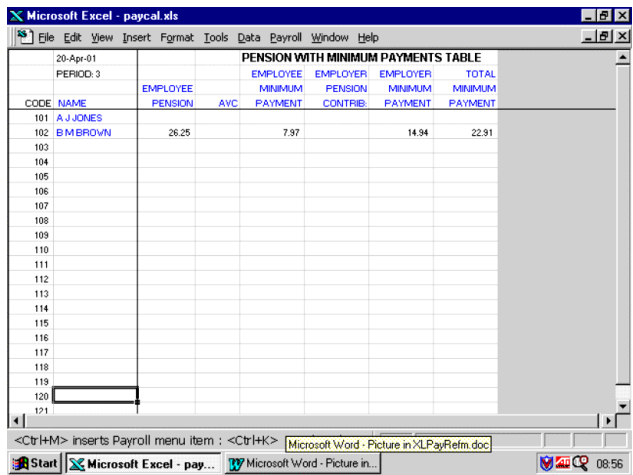
Figure 4-10 shows the Payment Form which you may view with the **<PgDn>** and **<PgUp>** keys.

If you wish to use this bank giro method of paying your employees you will first have to complete the bank account information for the employees, such as sort code, bank A/C number, bank name etc. This information need only be entered once in the computation file since once it is saved it will remain in the file until you amend it. Note the unprotected column headers may be amended after clearing the Titles (**View** menu). If the information is correct you may then print the Bank Giro Payment Form using the **Payroll|Bank Giro|Print Giro Form** selections.

Please note that we have recently added a new option to the **Bank Giro** menu, that is, **Save as Text File**. This would be required if you were to set up a BACS procedure to transmit the payment instructions to your bank.

## To View or Print Pension Table

Selecting **Payroll|Pension** will enable you to view or print the pension contributions of each contracted-out employee, split between employee minimum contribution, employee Minimum Payment and the Extra Pension Contribution. This information will be required by the pension provider and also includes the employer's Minimum Payment. Thus only employees using Tables **D** or **E** for NICs will have figures recorded in the table.



20-Apr-01 PERIOD: 3		PENSION WITH MINIMUM PAYMENTS TABLE					
CODE	NAME	EMPLOYEE PENSION	AVC	EMPLOYEE MINIMUM PAYMENT	EMPLOYER PENSION CONTRIB	EMPLOYER MINIMUM PAYMENT	TOTAL MINIMUM PAYMENT
101	A J JONES						
102	B M BROVNI	26.25		7.97		14.94	22.91
103							
104							
105							
106							
107							
108							
109							
110							
111							
112							
113							
114							
115							
116							
117							
118							
119							
120							
121							

Figure 4-11 : Pension Table

The screen above, on this page, shows the Pension Table which you may bring up on your screen with the following commands:

- Select            **Payroll**
- Select            **Pension**
- Select            **View Pension Table**

To browse the full report use the **<PgDn>** and **<PgUp>** keys.

If you have contracted-out employees you may then wish to print the Pension and Table by selecting **Payroll|Pension|Print Pension Table**.

## To Prepare for a New Employee

The following procedure is required for an employee who joins the firm at some time during the tax year. You will of course have to prepare a new **EE** data file for this employee, as described in pages 22-28.

Normally the brought forward Pay and Tax Paid is found on the P45 form that new employees bring with them when they start. The employee's tax code will also be on the P45 form. Note that the brought forward figures must be entered in the respective Cumulated columns, against the period number preceding the one in which the employee is to start.

If the new employee starts without producing a P45 form and, provided a P46 (Part B) form is completed, then the Emergency Code will apply which is operated on a Week 1 (Month 1) basis; use Tax Basis P. Otherwise basic rate tax must be applied; use Tax Basis BR with a zero numeric code number (R4).

**When the P45 is finally produced**, you can still make the entries in columns **G** and **I** as explained above. However, you must then edit manually all the cumulative totals of **PAY** and **TAX** to bring the file up to date to reflect the PAY and TAX paid by the previous employer (**CUMPAY** and **CUMTAX** columns).

It is essential to use a new employee number for each new employee rather than re-utilise that of a former employee. This assumes you have not reached the 60 employee limit for one payroll installation. For full details of the steps you must follow when a new employee joins please refer to the IR publication Employer's Quick Guide to PAYE & NICs, Pages 4, 5 and 6 CWG1(2001).

## Procedure when an Employee Leaves

When an employee leaves you may alter the Tax Computation Basis on the appropriate **EE** file to **N** (No Tax). This will ensure that no tax is refunded to the employee in future periods if the **EE** file is left on the working directory. All period Gross pay elements must be zero.

Alternatively, you may delete the **EE** file for the employee who has left after having copied it to another directory, say, **\LEAVERS** and made sure you have a second back-up copy of the employee's file on disk. This will not be a problem when future periods are processed since the program will "jump over"

the missing **EE** file and continue to the next **EE** file present in rising numerical order.

Please note that the automatic End of Year Procedures described in the next section require that all **EE** files, including those for employees who left your employment during the year, must be in the payroll working directory when you run the procedures. To help you complete the P45 form you may print out the employee's **EE** file as described in the next section.

## End of Year Procedures

### Printing out the Employees' Data Files

The **EE** files, complete with their data for the tax year, may be printed out so that you have a hard copy record for each employee. These will form the basis of records you should keep for the Inland Revenue. To do this you will use the **File** menu commands; the range or Print Area to be printed is **PAYDAT** and the Page Setup will require **Landscape Orientation** if you wish to print the file on one page of A4.

You should first open the file, say **EE101.XLS**, so that it is on screen ready for printing:

Select	File	
Select	Open	
Select	EE101.XLS	
Select	OK	
Press	<F5>	(the <b>Goto</b> key)
Type	PAYDAT	(to select the PAYDAT range)
Select	OK	
Select	File	
Type	Print Area	
Select	Set Print Area	
Select	File	
Select	Page Setup Page	
Select	Landscape	(then, edit <b>Margins</b> as required)
Select	Fit to	(then, set to <b>1 page wide, 1 page tall</b> )
Select	Print	
Select	OK	

Providing the printer is switched "on" and is "on-line" the **EE101.XLS** file should be printed. Note, you can always print the EE file on three pages in *Portrait* orientation.

You may now repeat this procedure for each **EE** file in your payroll. All the information required for the end of year P14 return for each employee is to be found on the **EE** file of each employee.

## Producing Draft P14/P60/P35 Forms

The Employees' Data Files, complete with their data for the tax year, should now have been printed out so that you have a hard copy record for each employee.

To produce a draft P14/P60 from each employee's data file you must first retrieve the P14/P60 Form Producer file. This should be in the same sub-directory as your employee data files. We will use the following commands to retrieve the P14/P60 Form Producer file:

Select	File
Select	Open
Select	P14.XLS
Select	OK

The P14 file functions in a similar manner to the PAYCAL computation file but, instead of producing 20 line pay-slips, it produces a P14/P60 draft for each employee from the respective Employee Data File.

You should first select **P14 Generator|Setup** to enter your company's name and address, payroll year, PAYE reference number, first Employee Code Number and NI contracted-out scheme number if applicable.

Then select **P14 Generator|Process, P14 Generator|View|P14 Draft Forms**, or **P14 Generator|Print|P14 Draft Forms** in turn to process, examine and finally print out all the P14/P60 draft forms. The file will be saved automatically at the end of the processing procedure.

Finally, having confirmed that all the Draft P14 Forms are correct, you may print on the Inland Revenue 'portrait' P14 Forms (preferably for a Laser Printer) using the *new* menu option on the **P14 Generator|Print** menu, **IR P14 Forms**.

Note in order for the system to function correctly check the data file for any employee who has joined you during the year. Only the **CUM PAY** and the **CUM TAX** columns, **H** and **I** respectively, should have brought forward entries from a previous employer. **GRPAY**, Gross Pay, is always for earnings of the employee in your employment. Also column Z of the **EE** file must have the NI Table Letter used in the respective pay period. If you have made a mid-year start for the *PCC Excel Payroll*, the brought forward totals for all the data items should have been entered in *both* the Period and Cumulated columns of



the Employee Data File in the pay period immediately preceding the period in which the *PCC Excel Payroll* is to start.

Please note that the command for Excel Spreadsheet Mode is <**Ctrl+Shift+K**> and that to restore the **P14 Generator** menu item and take you to the Opening Screen is <**Ctrl+Shift+M**>.

If you have a problem with this procedure and you are a registered subscriber member for Telephone Support, contact PC Challenge who will be happy to talk you through the process of preparing the draft Returns.

## Preparing EE files for the Next PAYE Year

Finally, you may prepare the **EE** files for the next year by erasing the columns of data in the **EE** files, but not the **Per** columns (periods 1-53), on each page. Note this is only possible if the **EE** file structure is not to be amended for the following year. Please consult PC Challenge regarding upgrade plans.

An alternative and safer approach is to prepare completely new **EE** files from the template **EE0.XLS** which will always be included in any upgrade. Refer to the section in Chapter 2: Preliminary Preparation, *Create the Employees' Data or EE Files* on pages 22-23.

# Technical Reference

## Trouble-shooting

1. You have **ERR** showing for tax on one of the pay-slips. Check that the numeric value of the employee's code number in the cell R4 on the employee's **EE** file has been entered as a number or value and not a label. Also, check that none of your Gross Pay amounts in the Employees' Data Table are displaying **ERR**.
2. No processing is taking place when you select **Payroll|Process**. Did you change the Worksheet or Default Directory when you first loaded the *PCC Excel Payroll*? Is it set to the directory (folder) where your payroll data files are stored? If not, the system will not be able to access the Employee Data Files. Select **Tools|Set up** to set to the required directory (folder).

## Additional Commands

In addition to the use of keystrokes already described in this manual several other keys can be used as follows. It is not possible to describe all the various ways these keys can be used (refer to your Excel on-line Help) but the following are some examples.

### <F2> Key

This key can be used when you wish to edit the contents of a cell using the arrow keys. When you have made the changes you wish, use the <Enter> key to return to **Ready** from **Edit** mode.

### <F5> Key

This key can be used when you wish to move quickly to a cell. For example, suppose you wish to move quickly to the data in row 567, you would press <F5> and then enter **A567**. Select <OK> and the cursor will move to row 567.

### <Home> Key

This key takes you to the left hand column, A, corner of the active worksheet.

### <End> <Down> Key

If you are in a column of data this key sequence takes you to the last line in the column.

### <Ctrl+K> Key

This shortcut key gives full *Excel Spreadsheet Mode*, restoring hidden columns and the Excel menu bar, Row and Column headers, Gridlines, Toolbars, etc.

### <Ctrl+M> Key

This shortcut key inserts the **Payroll** menu item and returns you to the Opening Screen, <Shift+Ctrl+M> when working in the P14.XLS file.

### <Ctrl+S> Key

This shortcut key will save the active file.

### </> Menu Key

This key activates the Line 2 menu bar:

### <Alt+PgDn> Key

The 'Big Right' key; moves cellpointer one screen to the right.

### <Alt+PgUp> Key

The 'Big Left' key; moves cellpointer one screen to the left.

### <Ctrl+PgDn> Key

The 'Down Page' key; moves cellpointer to next worksheet.

### <Ctrl+PgUp> Key

The 'Up Page' key; moves cellpointer previous worksheet.

## Backing-up Files

When you have completed the processing and printing tasks for any particular pay period it is important that you make back-up copies of all the **.XLS** files and especially the Employee Data Files (**EE** files). Only the Employee Data Files are required to recreate a payroll together with the payroll master disks to reinstall the program.

Suggested back-up procedures are:

1. If you have less than 15 employees use a file manager program to copy the EE files to a high-density floppy disk. For *Windows '9x* users, you have the **Windows Explorer** program (3.x File Manager equivalent). If you have more than 15 employees use the **Microsoft Backup** program to copy and compress the EE files to a floppy disk or your back-up medium.
2. Save, using the **File|Save As** menu option, the PAYCAL.XLS computation file to your payroll working directory with the file name PAYCALx.XLS where 'x' is the pay period number, e.g. PAYCAL1.XLS for Period 1. This is equivalent to 'taking a photo' of all the reports and pay-slips and will allow you to print out the reports for any previous pay period. Also, should the PAYCAL.XLS file ever become corrupted, you may bring back one of these copies to become the active computation file by renaming it back to PAYCAL.XLS (having first renamed the corrupt PAYCAL.XLS file to PAYCALx.XLS).

All other program files can be replaced when necessary from the master program disks by reinstalling the program.

## Description of the Gross Pay Elements

You have selected **Payroll|Input Data|Employees** to give the Employees' Data Table. It is here that for each period and for each employee that you should enter the following data:

<b>BASIC</b>	the basic earnings or salary for the period
<b>ADJUST1</b>	second adjustment for bonus, back-pay, commission, etc.
<b>ADJUST2</b>	second adjustment for bonus, back-pay, commission, etc.
<b>BENEFITS</b>	Expenses or Benefits subject to NI (not tax)
<b>HRS 1</b>	normal hours (weekly paid)
<b>RATE 1</b>	normal hourly rate of pay
<b>HRS 2</b>	overtime hours (weekly paid) at Rate 2

<b>RATE 2</b>	overtime hourly rate of pay (e.g. at time-and-a-half)
<b>HRS 3</b>	overtime hours (weekly paid) at Rate 3
<b>RATE 3</b>	overtime hourly rate of pay (e.g. at double-time)
<b>AVC</b>	Additional voluntary pension contribution
<b>SSP</b>	the amount of Statutory Sick Pay included in the GROSS PAY
<b>SMP</b>	the amount of Statutory Maternity Pay included in the GROSS PAY
<b>MANUAL (1) After Tax</b>	manual <i>after-tax</i> adjustment to the NET PAY; it may be (+) addition or (-) deduction
<b>MANUAL (2) After Tax</b>	manual <i>after-tax</i> adjustment to the NET PAY; it may be (+) addition or (-) deduction
<b>WF/DPTC</b>	Working Families' Disabled Person's Tax Credit (+)
<b>SLR</b>	Student Loan Recovery (-)

## Holiday Pay for Weekly-Paid Employees

There may be a problem in attempting to pay holiday pay in advance or arrears of an employee actually taking holiday. For example, if on the last day before his holiday you pay an employee his ordinary weekly pay plus two weeks' holiday pay, the program will calculate the NI contributions on a one-week basis. This is incorrect resulting in a possible saving of NI for the employee where the earnings exceed the Upper Earnings Limit. On a manual system you should work out the NI contributions on a three-week basis.

The solution is to process each week as it comes including the holiday weeks. You may give a cash advance to the employee to represent the net pay for the two weeks' holiday. On the first pay day after the employee returns from holiday he would receive three pay-slips with a cash reconciliation showing the total due less the cash advance prior to the holiday.

# Technical Specifications

## Methods of Calculating Tax and NI

Income tax and NI due in any tax period are calculated using the exact percentage method. The calculation of the "Table A Pay Adjustment" for Period  $n$  is  $n$  times the Pay Adjustment for Period 1. If the numeric part of the tax code is 0, then the Free Pay for Period 1 is 0. If the numeric part of the tax code is 1 - 480, then the Tax Adjustment is a development of the formula:

$[(\text{numeric part of code}) * \pounds 10] + \pounds 9.$

The actual routines used are taken from Computer Specification for PAYE Tax Table Routines (April 1993 Edition) published by the Inland Revenue and for NI, the IR Notes for Payroll Software Developers: Series 10 Number 4, issued November 2000, for the amendments to rates, thresholds and limits.

We can also confirm that we have run the Inland Revenue Test Data for post 18 May 2000 published in the Series 10 Number 2.1 and that all tax calculated by the software agreed to the penny with the Inland Revenue Results per Specification. The amounts given by the software for tax and NI for any employee in any pay period may differ by a few pence from those given by the use of the manual Tax and NI Tables.

## Description of the NI Tables

There are ten Tables from which the program will select the table required according to the category (**A, B, C, D, E, R, F, G, S or X**) entered on the employee's EE file in cell I5.

Table **A** Normal NI category for most employees, *not contracted-out*

Table **B** Married women reduced, *not contracted-out*

Table **C** Employer's contributions only, *not contracted-out*

Table **D** Normal *Contracted-out* employees, COSRS

Table **E** *Contracted-out* married women reduced, COSRS

Table **R** *Contracted-out* employer's NICs only, COSRS

Table **F** Normal *Contracted-out* employees, COMPS

Table **G** *Contracted-out* married women reduced, COMPS

Table **S** *Contracted-out* employer's NICs only, COMPS

Table **X** No NICs deducted (employer and employee)

The employer's NIC Compensation Rate for Statutory Maternity Pay is 5% from 6 April 2001 but it is only paid to companies who qualify for Small Employers' Relief.

Please note that regarding the Inland Revenue Deductions Working Sheet, P11, the equivalent data columns (1a to 1g) in the Employees' Data File (Page 3) are only required for the Inland Revenue's purposes. They are used for the End of Year Returns, P14 and P35.

## Description of Directors' Pay Option on EE file

It is necessary for directors to have their NI contributions calculated on a *cumulated* basis with an Annual Earnings Period, or a Pro-rata Earnings Period, as per Inland Revenue fact card, NI 274.

The cell labelled **NI DIR** on the first page of the employees' **EE** file, I4, has an *essential* setting whose default is set to zero:

0 = Normal Earnings Period, Weekly, Monthly, etc.

1 = Annual Earnings Period for Directors

2-12 = Pro-rata Earnings Period, Monthly for Directors

2-52 = Pro-rata Earnings Period, Weekly for Directors

For the Pro-rata basis, the number to be entered is the month or week the Director was first appointed or started.

You may use the normal weekly or monthly earnings period option for Directors (NIDIR=0) providing you use the Directors Pay Option for the last Pay Period of the PAYE year or the Pay Period in which their employment terminates.

Also you should not change the Directors Pay Option (NIDIR=1) if the director ceases to be a director during the course of the tax year.

## Description of the Taxation Basis

The applicable Taxation Basis must be entered on each employee's EE file according to the type of IR Tax Code for the employee:

- C** to have tax calculated on normal cumulative basis
- P** to have tax calculated on "Week 1 or Month 1" period basis

Other less common options are also included:

- DO** to have tax calculated at the highest rate on all PAY
- BR** to have tax calculated at the Basic Rate on Period PAY
- BRC** to have tax calculated at the Basic Rate on Cumulative PAY
- NT** to have no tax calculated, e.g. for students
- M** to enter tax manually

The cumulative basis employs the employee's code number to work out how much tax the employee has to pay on a particular pay-day using figures of pay and tax deducted since the start of the tax year.

If the employee has a Week 1 or Month 1 Tax Code, this code is used to calculate how much tax the employee has to pay on a particular pay-day ignoring figures of pay and tax deducted for previous Periods (weeks or months).

- w The **DO** basis is equivalent to the IR D0 code (all @ 40%).
- w The **BR** basis is equivalent to the IR BR **Wk1/Mth1** code (all @ 22%).
- w The **BRC** basis is equivalent to the IR BR **Cumulative** code (all @ 22%).
- w The **NT** basis is equivalent to the Inland Revenue NT code (no tax).
- w The **M** basis is useful to deduct/refund a particular sum of tax.

The tax is computed on the Gross Pay less pension contributions (subject to the tax relief option provided) less Benefits, i.e. the PAY. On the other hand, the NI is computed on the total Gross Pay.

The tax advantage thus obtained, i.e. that the pension contributions by employees are tax relieviable, is only valid if the pension scheme has been approved by the Occupational Pensions Board and the Inland Revenue.

## Inland Revenue K Codes

K codes came into operation on 6 April 1993. They represent the 'additional pay' to be added to arrive at the PAY for the appropriate K code (K prefix). the *PCC Excel Payroll* can cope with this by making the numeric part of the K code negative when making an entry in the employee's data file. This is cell R4 on Page 2 of the Employee Data File.

However there is also the Overriding Regulatory Limit, or Maxrate, which is set for 2001/2002 at 50%. This is the maximum percentage of PAY in a pay period that an employee can pay as tax irrespective of what tax the K code produces. The Maxrate setting is to be found in a cell on the right of the Tax Table screen.

Note that at the bottom of the pay-slip under the heading TAX EXS, should the Regulatory Limit be actioned, you will find the excess tax not deducted owing to the action of the Regulatory Limit. This is the difference between the tax deducted compared to the sum as calculated by the Tax Tables.

Should an amount appear on a particular employee's pay-slip we suggest you 'insert a comment' (a note) in the EE file on the Period Tax cell of the respective Period line. With the worksheet unprotected, select the tax amount cell and then select the **Insert|Comment** menu item to create the note. This sum may be an indication of a tax liability to be recovered in future pay periods or at the end of the year.

## Statutory Sick Pay Information

### SSP Reimbursement Scheme

Since 6 April 1995 the SSP Small Employers' Relief Scheme has been abolished and now, in order to recover from the Inland Revenue part of the SSP paid, you must satisfy three conditions:

1. establish your Class 1 National Insurance liability in a tax month, (Class 1A contributions excluded);
2. multiply this amount by 13%;
3. establish the total SSP paid in that month.

If the figure at 3. is greater than at 2. **you can recover the difference.** We have provided a draft calculation of the amount you can recover in cell Summary: **E22** on the Period Summary. This is only useful if you are working with a *monthly* payroll.



Only amounts of SSP payable should be entered in the SSP column when using the menu option **Payroll|Input Data|Employees**. It follows that the Gross Pay must always be greater than or equal to any entry in the SSP column. The software will record on the Employee's Data File the amounts of SSP paid during the PAYE year but not any SSP that you may recover; amounts of SSP paid will be included in the total Gross Pay or, in the case where SSP is the only pay the employee receives, will be equal to the Gross Pay. Thus, the SSP column records that part of the Gross Pay which is SSP.

The SSP2 record for the employee should show, for any Period of Incapacity, the three Waiting Days, the days where SSP is payable. A manual entry must be made for the total SSP recoverable for the period in the Period Summary Report (cell Summary:I20).

The rates from 6 April 2001 are given in the DSS publication CA35/36 (April 2000) Statutory Sick Pay (SSP) and Statutory Maternity Pay (SMP); a summary is given in the Table below.

Weekly Average Earnings	Weekly Rate of SSP
less than £72.00	NIL - the employee cannot get SSP
£72.00 or more	£62.25

The average weekly earnings are taken over the eight weeks prior to the incapacity.

The NIC compensation for SSP has been abolished.

We would also suggest you consult SSP33, *SSP A checklist and worksheet*; also check for any changes in the rates which tend to change annually, if not more often.

## Statutory Maternity Pay Information

The SMP that your company has paid will be refunded in full by the Inland Revenue since the amounts are deducted from the tax and NI liability. The Summary Report for each period has the necessary calculations done for you.

Since 4 September 1994 only firms or companies that qualify for Small Employers' Relief, as defined for SSP, will be able to recover 100% of SMP paid and the 5.0% NIC Compensation (2001/2002). The *normal* recovery rate is now 92% of SMP paid with zero NIC Compensation.

The **Payroll|Set Up|Settings** menu has the option **SSP** for making the appropriate setting. The default is **No**; your company *does not* qualify for Small Employers' Relief.

The rates from 6 April 2001 are given in the DSS publication CA35/36 (April 2000) Statutory Sick Pay (SSP) and Statutory Maternity Pay (SMP); a summary is given below.

<b>Lower Rate</b>	£62.25 per week
<b>Higher Rate</b>	90% of Employee's Weekly Earnings
<b>NIC Compensation Rate</b>	5.0%

For detailed information on how to operate the SMP scheme you will need to consult SMP3, *A Checklist and worksheet*. Always check that you are using the up-to-date rates.

## Employee Code Numbers

The *PCC Excel Payroll* is designed to process up to 60 employees with default code numbers running from 101 to 160. Any range of numbers may be used but they must be consecutive, e.g. 100001 to 100060. It may be necessary to have multiple payrolls, each having data files in a separate hard-disk subdirectory.

Selecting **Payroll|Set Up|Employee Codes** allows the code numbers to be either re-defined to your choice, **Re-define** or imported from another file, **Import**.

## Summary

That concludes the chapter on *Operating PCC Excel Payroll*.

**Important note:** when you exit from Excel, the PAYCAL file will display full Spreadsheet Mode before closing. This will ensure that the next time you load Excel, for a non payroll task, that the Toolbars, Formula Bar and Status Bar are displayed.

We hope that you are now in a position to produce your own payroll with the minimum of time and effort and, above all, with accuracy.

# Chapter 5:

## Specimen Printouts

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The following pages show samples of various printouts from the *PCC Excel Payroll*.

**Please note that the Specimen Printouts are only available in the 'bound' version of this Reference Manual.**

**1. Sample Pay-slips**

**2. Employees' Data Table (1 of 2)**

**3. Employees' Data Table (2 of 2)**

#### **4. Summary for Period**

**5. Bank Giro Payment Form**



**6. Pension Table**

**7. Employee's Data File**

## **8. Draft P14/P60 Forms**

## 9. Draft P35 Schedule

# Chapter 6

## Sources of Further Information

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### Inland Revenue and NI Leaflets

CWG1	Employer's Quick Guide to PAYE and NICs (22 Quick Reference Cards)
CWG2	Employer's Further Guide to PAYE and NICs
CA44	Employer's Manual on NIC for Company Directors
CA35/36	Statutory Sick Pay (SSP) and Statutory Maternity Pay (SMP) Tables

Copies of the above (and more) tax and NI publications are available, free of charge, from the **Employer's Orderline 0345 646 646**.

### Useful Addresses

**Inland Revenue  
NI Contributions Office**  
Longbenton  
Newcastle-upon-Tyne  
NE98 1ZZ

**Inland Revenue (Publications - IR Booklets)**  
Public Enquiry Room  
West Wing Somerset House  
Strand  
London  
WC2R 1LB      Tel.: 020 7438 7772

**Employer's Helpline Tel:**  
0845 7 143 143  
0845 60 70 143

**Internet address for all Inland Revenue and  
Contributions Agency topics:**

**IR Press Office**  
Richmond House  
79 Whitehall  
London SW A 2NS

<http://www.inlandrevenue.gov.uk/>

Tel.: 020 7438 6420

**Dept. of Social Security:**

<http://www.dss.gov.uk/>

## Student Loan Repayments (SLR)

From 6 April 2001 employers were required to deduct loan repayments from employees who have become liable to repay their loan. This is called Student Loan Recovery (SLR).

The Employees' Data Table has a column for this purpose as an additional 'after tax' adjustment which will be shown separately on the pay-slip. The amount to be deducted should be entered as a *negative*.

The Period Summary Report was amended to adjust the Inland Revenue account for the Pay Period so that recovered amounts are remitted to the Collector of Taxes. The Employee's Data File was also amended so that one column now records the amount deducted for each pay period during the tax year.

## Working Families'/Disabled Person's Tax Credit

From the 6 April 2000, tax credits (WFTC and DPTC) are paid through the payroll to employees. The appropriate amounts will be notified by the Inland Revenue.

The Employees' Data Table now has an additional column for inputting such amounts as 'after tax' adjustments, which will be shown separately on the pay-slip. The amount to be paid should be entered as a *positive*.

The Period Summary Report has been amended to adjust the Inland Revenue account for the Pay Period so that amounts paid by the employer are deducted from PAYE and NI due to the Collector of Taxes. The Employee's Data File has also been amended so that one column now records the amount of WFTC/DPTC paid in each pay period during the tax year.

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