

meeting

## **PENSIONS ADMINISTRATION SUB - COMMITTEE**

date

**29 SEPTEMBER 2011**

agenda item number **4**

### **REPORT OF THE SERVICE DIRECTOR (HUMAN RESOURCES & CUSTOMER SERVICES)**

#### **BUSINESS MANAGEMENT SYSTEM – CHANGE IN THE PAYROLL PRODUCTION SYSTEM AND IMPLICATIONS FOR PENSIONER PAYSLIPS**

#### **1. Purpose of the Report**

- 1.1 The purpose of this report is to inform the Pensions Administration Sub Committee of the current identified changes to pensioner payslips as a result of the change in payroll production systems from Cyborg to SAP.

#### **2. Information and Advice**

- 2.1 As part of the County Council's wider improvement and transformation a new integrated HR, payroll and core financial system is being implemented. The new Business Management System will integrate, streamline and improve the efficiency of key HR, payroll, financial and procurement processes and ensure greater consistency across the Council.
- 2.2 As a result of the proposed change in the payroll production system an analysis has been undertaken to identify the changes that will be experienced by pensioners in relation to future payslip notifications.
- 2.3 The current payslip format as produced via the current system (Cyborg) is attached as Appendix A and an image of the payslip to be produced via the new system (SAP) is attached as Appendix B.
- 2.4 The payslip formats contain substantially the same detail but the new format includes the employers' tax reference number, which will be useful for pensioners to have easily accessible should they need to make contact with HMRC for tax reasons. In addition the new payslip includes an expanded free format area which can contain two messages; each of 128 characters in length. This is an improvement on the current payslip format which is limited to one message of 137 characters in length.
- 2.5 Payslips will continue to be produced for the months of March, April, May and June as previously agreed. In addition, Members will recall a

resolution was made by Pensions Administration Sub-Committee to provide a payslip to pensioners where there was a variance in their pay of £5. This process will continue based on a procedure in the new payroll which will produce a payslip where the **variation is £5 or greater than the previous months net pay**. This is a slight change to the current process where a payslip is generated when the variation is **£5 or greater relative to the last payslip received**. However, in practice this difference is not significant and it is extremely unlikely that a scenario could arise that could lead to a payslip being produced through the current system that wouldn't also lead to a payslip being produced through the new system.

- 2.6 The new payroll system will be used to pay pensioners from February onwards. However, the first time pensioners will notice a difference will be when they receive their payslip in the new format in March.

### **3. Statutory and Policy Implications**

- 3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder and those using the service and where such implications are material they have been described in the text of the report.

### **4. Recommendation**

- 4.1 That the Pensions Administration Sub - Committee note the contents of the report.

## **M TOWARD**

### **SERVICE DIRECTOR - HUMAN RESOURCES & CUSTOMER SERVICE**

#### **Background Papers Available for Inspection**

Report on 'Pensioner Payslips' to the Pensions Administration Sub - Committee on 21 July 2009

Reports on 'Pensioner Payslips' to the Pensions Administration Sub - Committee on 15<sup>th</sup> October 2009

#### **Electoral Division(s) and Member(s) Affected**

All

**Appendix A**  
**Cyborg payslip format**

<b>PAY ADVICE</b> Name: Pay No. <span style="float: right;">Pay Point</span> <b>Normal Pay per Annum or Hour</b> 1 <sup>st</sup> Employment £ 2 <sup>nd</sup> Employment £ <span style="float: right;">Pay Period</span> 3 <sup>rd</sup> Employment £ <span style="float: right;">Pay Date</span>						
Pay Method		Tax Code		N.I. No.		
Tax Period						
<b>PAYMENTS</b>			<b>DEDUCTIONS</b>			
Total Payments			Total Deductions			
<b>TOTALS TO DATE (£)</b> Taxable Paid   Tax Paid   N.I. Payable on   N.I. Paid   Pensionable Pay   Pension Paid   Gross Pay						
Any queries should be directed to: PAYROLL SERVICES, Financial Services, County Hall, West Bridgford, Nottingham NG2 7QP. A list of direct telephone numbers can be obtained from your department.			NET PAY £			

**Appendix B**  
**SAP payslip format**

No	Message
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**Pay advice - Please retain for reference**

Pay No

Name

Address

Pay Point



Pay Period	Pay Date	Tax Period	Tax Code	Ill. No	Employers Tax Ref.
					507/504800

