



## How to Enter Pension Contribution

### Cloudpay and SortMyBooks Integration

These instructions are specifically for users who have **integrated CloudPay with SortMyBooks** and are now posting payroll journals directly to the system. You must change how you record your monthly pension payments to prevent duplicating the expense.

#### Part 1: Posting the Payroll Journal in CloudPay

This step pushes the payroll expense (including the pension contribution) into your SortMyBooks General Ledger, creating the necessary liability.

1. Finalise the Payroll on Cloudpay: Ensure your payroll for the month (e.g., January) has been fully processed and committed within CloudPay.
2. Go to **Utilities**, click on **Accounts**.
3. Select the Period: Choose the correct payroll period you wish to post (e.g., January).
4. Execute the Post: Scroll down and click the **Post** button.

This action sends the full journal, which includes all wages, taxes, and the total pension liability, directly to SortMyBooks.

#### Part 2: Recording the Pension Payment in SortMyBooks

Once the journal is posted, the expense is recorded, and the liability is created. This part explains how to clear the liability when the payment is made from the bank.

#### Background: The Change

Before integration, you likely recorded the pension payment as an expense directly to a Profit & Loss nominal, such as **Other: Pension (69000)**.

Now, CloudPay does two things when you post the journal:

1. It accurately records the expense on your Profit & Loss statement.
2. It creates a **Current Liability** for the amount due (the amount you owe to the pension company) in the **Payroll: CloudPay: cp\_Pension\_Control (22600)** nominal.

When you make the bank payment to the pension company, you must now allocate that payment to the **Current Liability** account to zero it out, rather than to the old expense account.



## 4 Key Steps to Correctly Record Your Pension Payment

### Step 1: Check the Supplier Nominal

You need to ensure the **Supplier** record for your pension company (e.g., "Zurich") is set to the correct **Balance Sheet** Control Nominal.

1. In SortMyBooks, go to **Purchases**, then **Suppliers**.
2. Find and open the supplier record for your pension company (e.g., **Zurich**).
3. Go to the **Details** tab and scroll down to the **Default Nominal** section.
4. Change the nominal from the old Profit & Loss account (e.g., *Other: Pension*) to the new **Current Liability** nominal: **Payroll: CloudPay: cp\_Pension\_Control (22600)**
5. Click **OK** to save the supplier record.

### Step 2: Match the Bank Transaction

When your monthly payment to the pension company appears on your bank statement:

1. Go to **Accounts**, then **Statement**.
2. Find the payment made to the pension company (e.g., **Zurich**). Click on '**Set Alias**', select the company from the list to make future reconciliations faster. Click OK.
3. Click **Match**.
4. Since you set the default nominal in Step 1, the system should automatically populate the nominal line.
  - **Supplier:** (e.g., Zurich)
  - **Nominal:** **Payroll: CloudPay: cp\_Pension\_Control**
  - **Type:** Select **Bank transfer**
5. Click **OK** to create the miscellaneous payment.

### Step 3: Verify the Balance Sheet (Current Liabilities)

The goal is to ensure the **CloudPay Pension Control** account is back to a zero balance after the payment.

1. Go to **Reports, Ledger Reports**.
2. Run your **Balance Sheet** for the period in question (e.g., January).
3. Scroll down to the **Current Liabilities** section and look under **CloudPay** entries.
4. The amount showing for **cp\_Pension\_Control** should now be **€0.00** (make sure you have unticked (Suppress 0s))
  - To view the history, click on the nominal to see the movement. You should see the payroll **Journal** posting the expense (e.g., +€4,100, Director's pension and Employees' pension) and your **Bank transfer** payment clearing the liability (e.g., -€4,100).



#### Step 4: Verify the Profit & Loss (Expense)

Confirming that the pension expense is correctly reflected on your Profit & Loss and not duplicated.

1. Go to **Reports, Ledger Reports**.
2. Run your **Profit and Loss** report for the period.
3. Scroll down to the **Operating Expenses (Cloudpay)** section).
4. You should see the pension expense correctly listed under the CloudPay-related expense nominals (e.g., **cp\_PensionER** and **cp\_DirPension**), and the total should be correct (e.g., €4,100).
5. Crucially, your old expense nominal, **Other: Pension (69000)**, should now have a balance of €0.00 for this period (unless you have other transactions correctly posted there).

By following these steps, you ensure the expense is recorded only once by the journal, and the bank payment clears the liability created by the journal.

More in the video: [SMB Cloudpay integration. Pension](#)