



How to Handle Auto-Enrolment (NAERSA) in SortMyBooks

These instructions outline how to set up, record, and reconcile auto-enrolment pension payments to the National Automatic Retirement Savings Authority (NAERSA) in SortMyBooks.

Disclaimer: This guide represents an interpretation of the accounting requirements. Please verify this process with your accountant to ensure compliance with your specific business needs.

Phase 1: Initial Setup

1. Create an Expense Nominal (Profit & Loss)

This tracks the employer's pension contribution cost.

1. Go to **Tools > Nominals**.
2. Select the **Profit and Loss** section.
3. Scroll to the **Expenses** area (e.g., under "Other (69000)").
4. Click the existing category Other (69000), and click on **New**.
5. **Name:** **Autoenrol ER Cost** (or similar).
6. **Parent nominal:** Ensure it is under an Expense category.
7. Click **Save**.

2. Create a Control Nominal (Balance Sheet)

This tracks the liability (money owed to NAERSA) until it is paid.

1. Go to **Tools > Nominals**.
2. Select the **Balance Sheet** section.
3. Scroll to **Current Liabilities**.
4. Locate the **Payroll** section.
5. Click **New**.
6. **Name:** **Autoenrol Control**.
7. Click **Save**.

3. Set Up NAERSA as a Payee

1. Go to **Purchases > Suppliers** (or create a new payee during a transact).
2. **Name:** **NAERSA**.
3. **Payee Type:** Select **Other**.
4. **Default Nominal:** Search for and select the balance sheet nominal you just created: **Autoenrol Control** (Current liability-22000).
5. Click **Save**.

Phase 2: Payroll Journal Entry

When processing your payroll (weekly or monthly), you must add specific lines to your payroll journal to account for auto-enrolment.

Note: The standard part of your journal (Gross Pay, PAYE, PRSI, Net Pay) remains the same. If you need to refresh your memory on how that works, watch this [video](#). You are adding three lines to handle the pension.



Line Type	Nominal Account	Description	Amount Source
Debit	Autoenrol ER Cost (Expense)	Employer Cost (ER)	Employer Contribution amount from payroll report.
Credit	Autoenrol Control (Liability)	Employer Cost (ER)	Employer Contribution amount.
Credit	Autoenrol Control (Liability)	Employee Cost (EE)	Employee Contribution amount from payroll report.
Debit	Wages Control (Liability)	Employee Cost (EE)	Employee Contribution amount.

Why Debit Wages Control?

Your payroll software likely reports "Net Pay" before the auto-enrolment deduction. However, the actual cash paid to employees is lower because pension contributions are deducted. Debiting Wages Control reduces the liability to the employee, balancing the fact that you are withholding this money to pay NAERSA instead.

Phase 3: Bank Reconciliation

NAERSA payments are deducted directly from your bank account every pay period (e.g., weekly).

1. Go to your **Accounts > Bank Statement** screen in SortMyBooks.
2. Locate the payment described as "National Auto".
3. Click **set alias**, select NAERSA
4. Click on "+" to match the transaction.
5. **Payment on account:** Select NAERSA.
6. **Nominal:** Ensure it defaults to **Autoenrol Control** (Current Liability).
7. **Select Type:** Bank transfer
8. Click **OK**.

Result: This payment debits the **Autoenrol Control** account, clearing the liability you created in the journal during Phase 2.

Phase 4: Verification

After completing the steps, check your reports to ensure accuracy:

- **Profit & Loss Report:** Verify that **Autoenrol ER Cost** shows only the employer's contribution amount as an expense.
- **Balance Sheet - Wages Control:** Should net to zero after you have paid your employees.
- **Balance Sheet - Autoenrol Control:** Should net to zero after the NAERSA direct debit has cleared from your bank account.

More in the video: [SortMyBooks Auto-Enrolment Journals](#)