





PAYE Modernisation:
2 Months to Deadline

Hosted by

ThesaurusSoftware

The webinar will begin shortly....

The Panel...

			
Paul Byrne Managing Director at Thesaurus Software Former Accountant in Practice	Sinead Sweeney PAYE Modernisation Change Manager Revenue Commissioners	Sandra Clarke Partner at BCC Accountants Council Member of the Irish Tax Institute	Audrey Mooney Support Manager at Thesaurus Software

Webinar Agenda...

Part 1: PAYE Modernisation: An overview of PAYE Modernisation and how it will affect your payroll

Part 2: Revenue Presentation

Questions and Answers

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Q&A Q&A Session
Questions tab on your control panel

REC On Demand
This session is being recorded

An Overview of PAYE Modernisation

What is PAYE Modernisation?

- Many employees are given the wrong tax credits and cut-off points
- **Why?** Revenue only gets payroll data at the end of each year (P35)
- Revenue will now know where the employee is working and how much they are earning in real time
- This allows Revenue to allocate the correct credits, avoiding overpayments / underpayments of tax

What is PAYE Modernisation?

- Employers not operating PAYE correctly – new employees not registered & out of date tax credits being used
- With PAYE Modernisation, a file will be submitted electronically to Revenue on or before or shortly after each pay run
- Retrieval of tax credits will be automated – ensuring the correct credits are being used

The file specifications...

- RPN – Revenue Payroll Notification – used to retrieve tax credits and cut off points for new and existing employees
- <http://bit.ly/2Bb1UEp>
- PSR – Payroll Submission Request (Mini P35) – used to submit payroll data to Revenue each pay period
- <http://bit.ly/2FN5xUA>

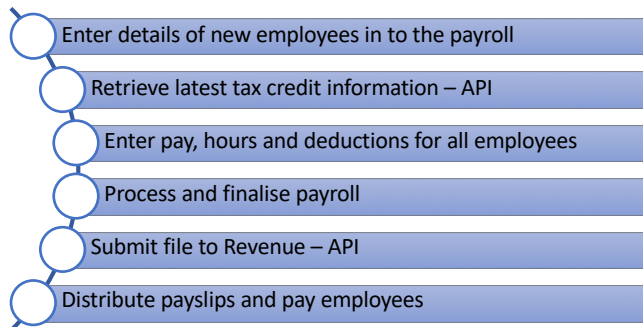
APIs and how they help...

- API: Application Programming Interface
- Enables different software applications to communicate with each other, resulting in time savings and a better user experience
- Current system of retrieving tax credits (P2Cs) – manual process with a number of steps

APIs and how they help...

- With the API, tax credit retrieval will require just one click
- Periodic payroll submissions (Mini P35) will also be a one click process
- Overall, the actual workload required each pay period should be reduced

APIs and how they help...

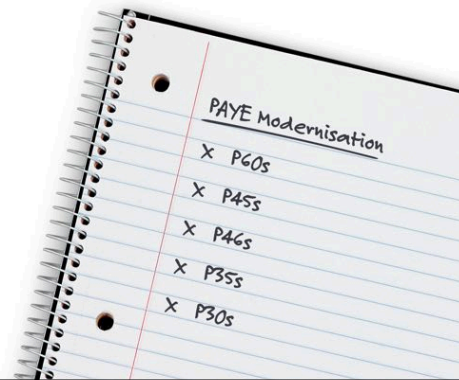


Digital Certificates

- APIs will use the digital cert installed on the PC
- If the user can log into ROS, the digital cert is already installed
- Was ROS previously accessed from a different computer?
- Do you want the payroll operator to have full visibility which they will if the cert is present?
- Do you need to consider multiple PREMs?

No more 'P' forms

- P60s
- P45s and P46s
- P35s
- P30s



How are employees affected?

- Visibility through their MyAccount
- Credits and cut offs should be more accurate for those with multiple employments
- Emergency rules are much stricter if employment not registered
- Statement of Income and deductions will be available through MyAccount. Replaces P60. Financial institutions have been advised.

How Payroll Software will handle
PAYE Modernisation?

Deadlines & Corrections

Submission Deadlines and Corrections

- In Ireland, the Finance Act specified that the periodic data submission will be required **on or before the actual pay date**
- Best practice – submit after finalising each payroll

Submission Deadlines and Corrections

- Corrections can be made for incorrect submissions
- If the correction means that more tax is payable for a previous tax month, Revenue can apply interest
- A correction after the month's close off or sign off date will be seen as a change to a statutory declaration
- Consistent corrections or late submissions may result in corrective action by Revenue

Submission Deadlines and Corrections

- Corrections are dealt with on the basis of “follow the money”
- If an employee is over or underpaid in a period and their pay is adjusted in the next period to correct this, no correction submission is required
- If an employee is paid an amount different to what it says in the payroll, then a correction submission will subsequently be required

Are you ready for “on or before” processing?

- This will be a challenge for some businesses (e.g. hospitality, construction) where historically payments may have been made on a net to gross basis

Getting ready

Ensure you have a ROS digital cert

- If you can log into ROS on the machine you run your payroll, then you are set
- If on a different machine
<https://www.thesaurus.ie/docs/2018/company-setup/saving-and-reloading-a-ros-digital-certificate/>
- If your accountant or tax agent has been submitting your P35, you need to apply for your own employer cert

Split payrolls

- Some employers operate two payrolls for the one company, e.g. Directors and other staff
- The digital cert will have access to all of the PAYE information in ROS for that PREM
- Therefore, to enable complete separation, a new employer number/cert should be applied for
- An employer can have as many PREMs as it wants

Split payrolls

- If different branches are operated on two or more separate payrolls but they all have the same employer number:
- It is advisable to register separate employer numbers for each branch
- This will avoid issues with the new Employment ID field
- Guidance on how to apply for new PREMs/Certs
<https://www.thesaurus.ie/docs/2018/company-setup/additional-payee-registration-numbers/>

Ensure all of your employees are registered with Revenue

- Otherwise they will be put on emergency basis from start of 2019
- There are new rules for emergency tax
- List of employees
- Complete a P46 or P45(3) for employees not on the P2C

New Emergency Rules

- 2019 sees the removal of the 1st tier of emergency tax credits
- 1st 4 weeks will be taxed at standard rate up to emergency cut off point and high rate above the cut off point. No tax credits.
- Thereafter, all pay will be taxed at the high rate.
- If no PPSN, all pay taxed at high rate from the start
- Emergency USC is 8% on all earnings

New Emergency Rules

- Applies where an employer makes payments of emoluments to or on behalf of an employee in respect of whom an RPN has not been received
- Where an employee furnishes the employer with a PPSN, the employer shall take all reasonable measures to establish that the number furnished is in fact the PPSN of that employee
- New menu item in ROS under Employer Services - "PPS Number Checker" – to facilitate this

Other

- Security protocols used by ROS mean that XP and Vista operating systems are obsolete
- Importance of backup systems in new system
- RPNs should be available for download early December 2018

Processing Manually or using Payroll Software?

Manual payroll processing...

208,000
Irish Employers



Est 50,000
Calculate manually

- Need to log in to ROS and enter all details for all employees
- Quite time consuming & prone to error
- Payroll bureau or payroll software?

Doing your payroll manually

- ROS screens enable the input of payroll items manually
- No calculations performed
- A number of screens per employee per pay period
- A lot of detail on each screen – similar to inputting a P35 manually each pay period
- Some information will be held from one period to the next

ThesaurusSoftware





Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

Sinead Sweeney
*PAYE Modernisation Change Manager
at Revenue Commissioners*

A portrait of Sinead Sweeney, a woman with long brown hair wearing a red jacket, is positioned to the right of the Revenue logo.

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