



The Ultimate Guide to  
**PAYE Modernisation**  
for Employers



## PAYE Modernisation: What it means for employers

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The Irish PAYE system was first implemented back in 1960 with no major changes since its introduction. For the past few years, Revenue has been working on a much needed and well overdue facelift of the Irish PAYE system.

The new system, known as [PAYE Modernisation](#), came into effect on 1st January 2019, replacing the previous PAYE reporting processes. Although the new system is now live, some employers are still confused about what the new PAYE system means for their business.



In this guide, we will discuss how PAYE Modernisation affects your business and your real time reporting obligations to Revenue.

# Key Changes with PAYE Modernisation

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Essentially, all of the 'P Forms' - P30s, P35s, P60s, P45s and P46s - are now abolished, and in their place are [real time](#) periodic submissions to Revenue. These are known as Payroll Submission Requests (PSRs) and need to be submitted 'on or before' the date an employee is paid each pay period. In most cases, this means a file will be submitted either weekly or monthly.





## Key Changes with PAYE Modernisation

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- As Revenue are receiving file submissions each pay period, the annual P35 is no longer required. In addition, this periodic file eliminates the need for P30s.
- The files being submitted each pay run also include details of employees commencing and employees leaving their employment. This means that P45s and P46s are no longer required to be completed by the employer.
- At the end of a tax year, the individual taxpayer will be able to view and print their official certificate of earnings and deductions directly from the MyAccount portal on the Revenue website. This means that P60s are no longer needed.




# Key Changes with PAYE Modernisation

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The retrieval of tax credits has also changed, with a Revenue Payroll Notification (RPN) replacing the current tax credit certificate (P2C). [Employers](#) are now required to always use the most up-to-date RPN when calculating employees' pay and deductions.

Regardless of how frequently an employer is required to send submissions to Revenue, the Revenue payment dates remain the same. There was no change to the method that employers currently use to make the Revenue payment.





# PAYE Modernisation with Payroll Software

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PAYE Modernisation should not add to an employers workload. [Payroll software](#) that caters for PAYE Modernisation will improve and streamline the payroll communication between employers and Revenue. Employers using payroll software that is Revenue compliant can create and send the periodic PSR submission directly to Revenue from the payroll software at the click of a button.

This Revenue integration also allows employers to automatically retrieve RPNs for employees from within the payroll software. Changes to an employees tax credits and cut-offs can then be updated in the payroll software with just one click. Payroll software can also identify employees who are on the RPN but not set up in the payroll system. The user has the ability to set up these new employees in the payroll software instantly.

# Manually Processing Payroll with PAYE Modernisation

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Many employers still calculate their payroll manually. With PAYE Modernisation, these employers can still process their payroll using a manual, spreadsheet or paper-based system, but **this outdated process is very time-consuming, cumbersome and prone to error**. Failing to correctly comply with PAYE Modernisation will result in penalties or fines being imposed from Revenue.

A manual approach is quite laborious and difficult to ensure accuracy. Manual processors will need to actively login to the ROS portal each pay period, be it weekly or monthly, and manually enter the required details for each of their employees, a bit like manually completing a P35 each pay period. Also, before processing the payroll in any week, manual users will need to religiously log in to ROS to get details of tax credits and cut off points.





A hand is shown using a black calculator over a document. The document appears to be a form or a ledger with various fields and text. The image is overlaid with a blue gradient.

## Manually Processing Payroll with PAYE Modernisation

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Some business owners believe that a manual payroll system is a relatively easy way to manage their payroll and can seem like the most cost-effective option. Along with the additional time required to process payroll, a manual system can result in inaccurate payroll processing as it does not have built-in processes to catch mistakes or notify you of payroll changes. Additionally, manual records are very difficult to maintain, store securely under [GDPR](#) and are subject to greater human error. It is important to note that late periodic submissions or a constant pattern of correction submissions will potentially result in non-compliance penalties and fines.

*The manual retrieval facility in ROS will only be available for employers with 5 or less employees.*

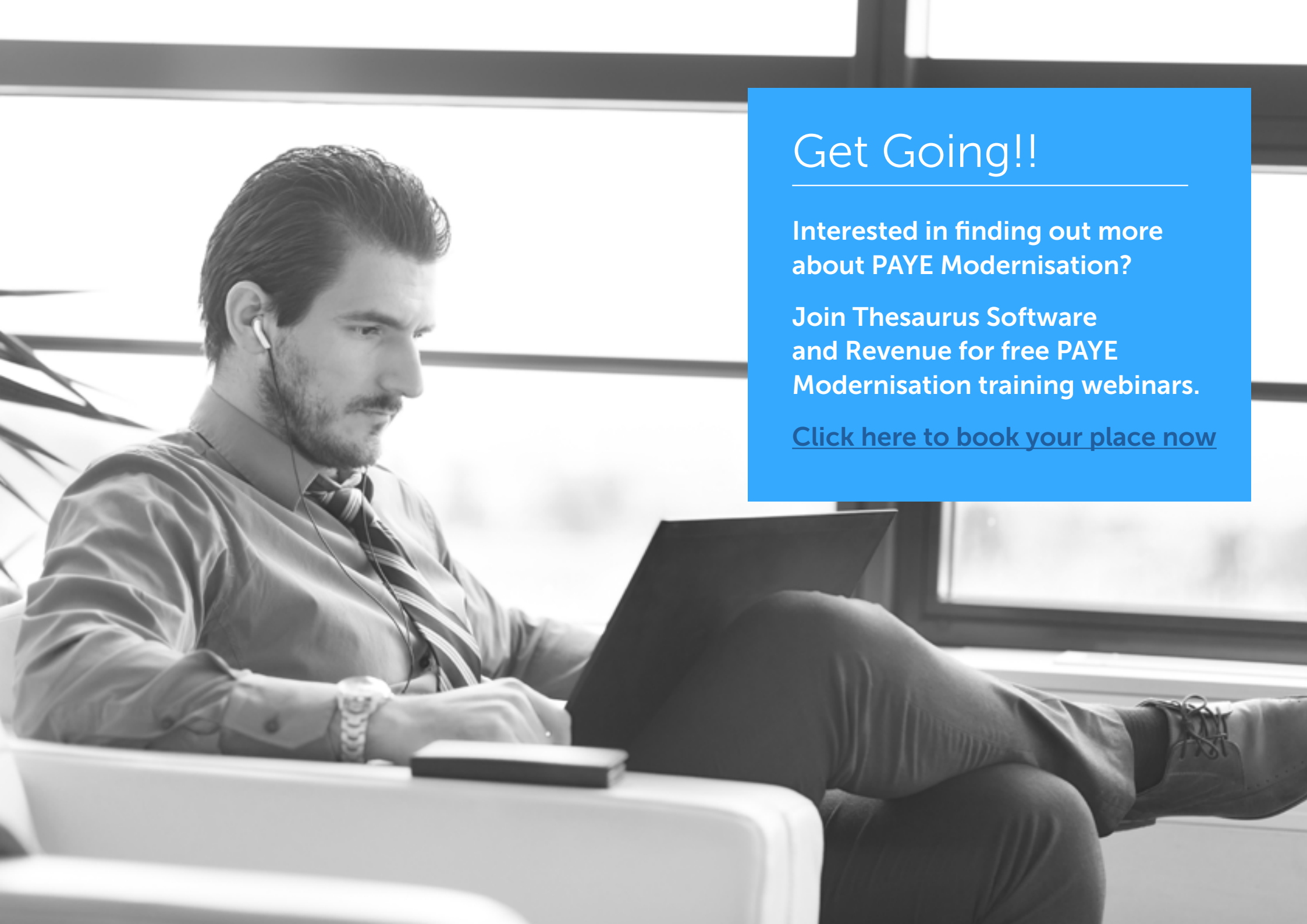
# Integration with Revenue

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Revenue has strongly advised employers to review their payroll processes and systems to ensure they meet the new PAYE Modernisation requirements. Payroll software which caters for PAYE Modernisation will improve and simplify communications between employers and Revenue.

If you have the correct [payroll software](#) tools in place, the ongoing reporting to Revenue will be seamless, enabling you to reduce the manual administrative process. Direct integration between payroll software and Revenue reduces the administrative burden by automating the PSR submission to Revenue and by automating the retrieval of RPNs from Revenue, ultimately saving time and reducing the risk of errors each pay period.





## Get Going!!

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Interested in finding out more about PAYE Modernisation?

Join Thesaurus Software and Revenue for free PAYE Modernisation training webinars.

[Click here to book your place now](#)

# PAYE Modernisation & Thesaurus Software

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Thesaurus Software is at the forefront when it comes to [PAYE Modernisation compliant payroll](#) software. With two different payroll packages to choose from - **Thesaurus Payroll Manager** and **BrightPay** - customers are guaranteed leading-edge software and expertise.

Both Thesaurus Payroll Manager and BrightPay easily cater for the requirements of PAYE Modernisation. We had the essential experience required to implement PAYE Modernisation having already developed the same technology in our BrightPay UK software six years ago.

We have also worked and will continue to work directly with Revenue to ensure our payroll software is fully [PAYE Modernisation compatible](#).







## PAYE Modernisation & Thesaurus Software

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With over 20 years payroll experience, Thesaurus Software is the number one payroll software provider in Ireland. Our products are used to process the payroll for over 125,000 business across Ireland and the UK. BrightPay also won the **Payroll Software of the Year** award at the 2018 Accounting Excellence awards.

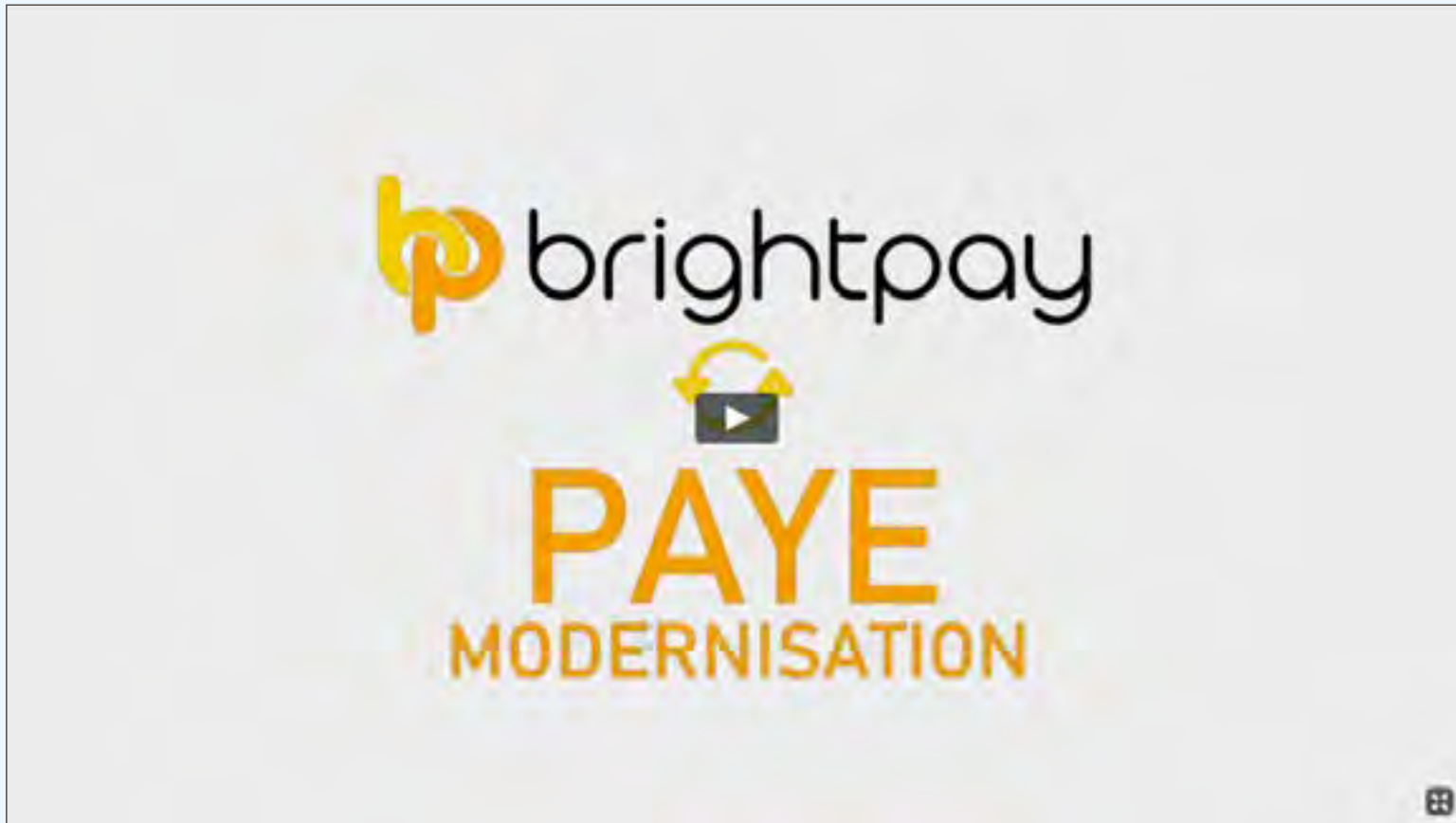
Make sure you are ready for PAYE Modernisation by choosing Thesaurus Payroll Manager or BrightPay to streamline the [real time reporting](#) process. With an impressive 99% customer satisfaction rating, our customers can rest assured that all required functionality is catered for.



# PAYE Modernisation with BrightPay

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**[Book a demo](#)** today or watch our short PAYE Modernisation video to see how easy it is to process PAYE Modernisation with BrightPay.



Book a Demo

# PAYE Modernisation with BrightPay

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- **BrightPay's standard licence** costs €149 + VAT for the 2019 tax year and includes everything you need to manage your payroll. This licence includes unlimited employees, free phone and email support and full functionality for PAYE Modernisation.
- **BrightPay's bureau licence** costs €299 + VAT for the 2019 tax year and gives you everything you need to manage payroll for all of your clients. With unlimited employers and unlimited employees, BrightPay's bureau licence is the ideal solution to offer payroll and PAYE Modernisation services to your clients. [Download free eBook](#) for payroll bureaus.
- In 2019, we are offering a **free BrightPay employer licence** to help single-employee companies with their PAYE Modernisation duties. This free licence includes free email support and full functionality for PAYE Modernisation.

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