Corrections Workshop
6th March 2017
Context

• Corrections are common in payroll and in a real time reporting arrangement they need to be processed seamlessly with the rest of payroll.

• Payroll data submitted to Revenue will be visible to the employee so corrections must not try and re-write what actually happened but correct it in a way the employee recognises in terms of their pay.

• Design principle – follow the money.
Key Data Items for Corrections
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<table>
<thead>
<tr>
<th>Data Item</th>
<th>Type</th>
<th>Condition</th>
<th>Description and validation</th>
<th>Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Message Reference Number</td>
<td>Numeric</td>
<td>Mandatory</td>
<td>Unique message identifier</td>
<td>Used to uniquely identify individual messages for correction purposes</td>
</tr>
</tbody>
</table>
| Submission Type      | Numeric | Mandatory | 1 = Submission  
2 = Deletion  
*Submission for reporting all payments.*  
*Deletion to remove a previous erroneous submission*  
*Design decision required on processing of in year and out of year corrections.* | Used to indicate if a new submission or a previous submission that needs to be deleted. |
# Key Data Items for Corrections

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<tr>
<td>Correction Marker</td>
<td>Y/N</td>
<td>Mandatory</td>
<td>Set to Y where a correction from a prior period is included in this pay event.</td>
<td></td>
</tr>
<tr>
<td>First Payment date correction relates to</td>
<td>Date</td>
<td>Mandatory if correction indicator is Y</td>
<td>The earliest payment date the correction relates to.</td>
<td></td>
</tr>
<tr>
<td>Last payment date correction relates to</td>
<td>Date</td>
<td>Mandatory if correction indicator is Y</td>
<td>The last payment date the correction relates to.</td>
<td></td>
</tr>
<tr>
<td>Corrections reason</td>
<td>Numeric</td>
<td>Mandatory if correction indicator is Y</td>
<td>The reason for the corrections 01 – Clerical Error 02 – Underpayment of wages 03 - Overpayment of wages</td>
<td></td>
</tr>
</tbody>
</table>
Full Submission/Batch errors
Employer deletes a full submission/Batch

Payroll event 1 Employer sends payroll event 1.
Payroll event 2 Employer sends payroll event 2 that contains errors.
Deletion Employer sends Deletion for payroll event 2.
Revenue deletes payroll event 2 and rolls back to payroll event 1.
Payroll event 3 Employer sends payroll event 3 that contains corrected information.
Revenue has no action.
Underpayments to Employee still on Payroll
Payroll event 1 Employer sends payroll event 1.
Payroll event 2 Employer sends payroll event 2 but employee 1 was underpaid by €50.
Payroll event 3 Employer sends payroll event 3 but increases employee 1’s pay by €50.
Revenue has no action
Underpayment paid to the Employee Outside of Payroll

**Pay Event 1** Employer sends payroll event 1.

**Pay Event 2** Employer sends payroll event 2 but employee 1 was underpaid by €50. Employer pays the money underpaid to the Employee outside of Payroll.

**Pay Event 3** Employer sends payroll event 3 with a payment of €50 for employee 1. Revenue has no action.
**Employee paid correctly - error in Submission**

**Payroll event 1** Employer sends payroll event 1.

**Payroll event 2** Employer sends payroll event 2. Employee was paid €200 but it was reported as €150.

**Deletion** Employer sends a Deletion for payroll event 2 for Employee 1.

**Revenue deletes payroll event 2 for Employee 1.**

**Payroll event 3** Employer sends payroll event 3 with correct pay for Employee 2.

**Revenue has no action**
Underpayments to Employee no longer on Payroll
Underpayment paid to former Employee

Pay Event 1

Pay Event 2

Pay Event 3

Week 1 payroll
Employee 1
Pay €200
PAYE €40
PRSI €8
USC €2

Week 2 payroll
Employee 1
Pay €150
PAYE €30
PRSI €6
USC €1.50
Ceased date

Adhoc payroll
Employee 1
Pay €50
PAYE €10
PRSI €2
USC €0.50
Ceased date

Payroll event 1 Employer sends payroll event 1.
Payroll event 2 Employer sends payroll event 2 but employee 1 was underpaid by €50. This was the final payroll for this employee as the ceased date was populated.
Payroll event 3 Payroll event 3 Employer sends payroll event 3 with a payment of €50 for employee 1. Revenue checks if the Employee has a new employment and issues a new P2C with new Previous Pay and Tax.
**Employee paid correctly - error in Submission**

**Payroll event 1** Employer sends payroll event 1.

**Payroll event 2** Employer sends payroll event 2. Employee was paid €200 but it was reported as €150. This was the final payroll for this employee as the ceased date was populated.

**Deletion** Employer sends a Deletion for payroll event 2 for Employee 1

**Revenue deletes payroll event 2 for Employee 1.**

**Payroll event 3** Employer sends payroll event 3 with correct pay for Employee 2.

**Revenue checks if the Employee has a new employment and issues a new P2C with new Previous Pay and Tax.**
Overpayments to Employee still on Payroll
Overpayment recouped through next Pay Event

**Pay Event 1** Employer sends payroll event 1.
**Pay Event 2** Employer sends payroll event 2 but employee 1 was overpaid by €100.
**Pay Event 3** Employer sends payroll event 3 but reduces employee 1’s pay by €100.
Revenue has no action
Overpayment repaid by the Employee Outside of Payroll

Pay Event 1
Week 1 payroll
Employee 1
Pay €200
PAYE €40
PRSI €8
USC €2

Pay Event 2
Week 2 payroll
Employee 1
Pay €300
PAYE €60
PRSI €12
USC €3

Pay Event 3
Ad Hoc payroll
Employee 1
Pay (€100)
PAYE (€20)
PRSI (€4)
USC (€1)

Payroll event 1 Employer sends payroll event 1.
Payroll event 2 Employer sends payroll event 2 but employee 1 was overpaid by €100. Employee repays the money overpaid outside of Payroll.
Payroll event 3 Employer sends payroll event 3 with a negative payment of €100 for employee 1
Revenue has no action
Payroll event 1 Employer sends payroll event 1.
Payroll event 2 Employer sends payroll event 2. Employee was paid €200 but it was reported as €300
Deletion Employer sends a Deletion for payroll event 2 for Employee 1
Revenue deletes payroll event 2 for Employee 1.
Payroll event 3 Employer sends payroll event 3 with correct pay for Employee 2.
Revenue has no action
Overpayments to Employee no longer on Payroll
Overpayment not recouped

Payroll event 1 Employer sends payroll event 1.

Payroll event 2 Employer sends payroll event 2 but employee 1 was overpaid by €100. This was the final payroll for this employee as the ceased date was populated.

Payroll event 3 Employer sends payroll event 3 with only Employee 2’s pay i.e. no negative submission for Employee 1.

Revenue has no action
Overpayment repaid by the Employee

**Payroll event 1** Employer sends payroll event 1.

**Payroll event 2** Employer sends payroll event 2 but employee 1 was overpaid by €100. This was the final payroll for this employee as the ceased date was populated.

**Employee repays the money overpaid.**

**Payroll event 3** Employer sends payroll event 3 with a negative payment of €100 for employee 1

Revenue checks if the Employee has a new employment and issues a new P2C with new Previous Pay and Tax.
Payroll event 1 Employer sends payroll event 1.

Payroll event 2 Employer sends payroll event 2. Employee was paid €200 but it was reported as €300. This was the final payroll for this employee as the ceased date was populated.

Deletion Employer sends a Deletion for payroll event 2 for Employee 1

Revenue deletes payroll event 2 for Employee 1.

Payroll event 3 Employer sends payroll event 3 with correct pay for Employee 2.

Revenue checks if the Employee has a new employment and issues a new P2C with new Previous Pay and Tax.
Incorrect Person paid (PPSN incorrect)
Pay Event 1

Week 1 payroll - Employee 1
PPSN 1111
Pay €200
PAYE €40
PRSI €8
USC €2

Pay Event 2

Week 2 payroll - Employee 1
PPSN 3333
Pay €200
PAYE €40
PRSI €8
USC €2

Pay Event 3

Week 3 payroll - Employee 1
PPSN 1111
Pay €400
PAYE €80
PRSI €16
USC €4

Pay Event 1 Employer sends payroll event 1.
Payment event 2 Employer sends payroll event 2 the wrong PPSN (Employee 3’s) was used for Employee 1.
Payment event 3 Employer sends payroll event 3 but increases employee 1’s pay by €200 and decreases employee 3’s pay by €200.
Revenue has no action.
**Employee got paid – error in Submission**

**Pay Event 1** Employer sends payroll event 1.

**Pay Event 2** Employer sends payroll event 2. The wrong PPSN (Employee 3’s) was used for Employee 1.

**Deletion** Employer sends a Deletion for payroll event 2 for Employee 1.

**Revenue deletes payroll event 2 for Employee 1.**

**Pay Event 3** Employer sends payroll event 3 with correct PPSN for Employee 1.

**Revenue has no action**
Incorrect Employer Number
**Incorrect Employer Number**

**Pay Event 1**
- **Week 1 payroll**  
  Employee 1  
  Employer no 1111  
  Pay €200  
  PAYE €40  
  PRSI €8  
  USC €2

**Pay Event 2**
- **Week 2 payroll**  
  Employee 1  
  Employer no 2222  
  Pay €200  
  PAYE €40  
  PRSI €8  
  USC €2

**Deletion**
- **Week 2 payroll**  
  Employee 1  
  Employer no 2222  
  Pay €200  
  PAYE €40  
  PRSI €8  
  USC €2

**Pay Event 3**
- **Week 2 payroll**  
  Employee 1  
  Employer no 1111  
  Pay €200  
  PAYE €40  
  PRSI €8  
  USC €2

**Payroll event 1** Employer sends payroll event 1.

**Payroll event 2** Employer sends payroll event 2 the wrong Employer no was used for Employee 1.  
**Revenue creates a new employment for Employee 1.**

**Deletion** Employer sends a Deletion for payroll event 2 for Employee 1

**Revenue deletes payroll event 2 for Employee 1 including deleting the new employment created.**

**Payroll event 3** Employer sends payroll event 3 with correct Employer no for Employee 1.  
**Revenue has no action**
Incorrect Pay Date
**Incorrect Pay Date**

**Pay Event 1**
- Employee 1
  - Pay Date 31/1
  - Pay €200
  - PAYE €40
  - PRSI €8
  - USC €2

**Pay Event 2**
- Employee 1
  - Pay Date 31/3
  - Pay €200
  - PAYE €40
  - PRSI €8
  - USC €2

**Deletion**
- Employee 1

**Pay Event 3**
- Employee 1
  - Pay Date 28/2
  - Pay €200
  - PAYE €40
  - PRSI €8
  - USC €2

**Week 2 payroll**
- Employee 1
  - Pay Date 31/3
  - Pay €200
  - PAYE €40
  - PRSI €8
  - USC €2

**Week 1 payroll**
- Employee 2
  - Pay Date 31/1
  - Pay €300
  - PAYE €60
  - PRSI €12
  - USC €3

**Week 2 payroll**
- Employee 2
  - Pay Date 28/2
  - Pay €300
  - PAYE €60
  - PRSI €12
  - USC €3

**Week 2 payroll**
- Employee 2
  - Pay Date 28/2
  - Pay €300
  - PAYE €60
  - PRSI €12
  - USC €3

**Payroll event 1** Employer sends payroll event 1.
**Payroll event 2** Employer sends payroll event 2 the wrong Pay date was used for Employee 1.
**Revenue creates the monthly return for February, excluding Employee 1**
**Deletion** Employer sends a Deletion for payroll event 2 for Employee 1.
**Revenue deletes payroll event 2 for Employee 1.**
**Payroll event 3** Employer sends payroll event 3 with correct Pay Date for Employee 1.
**Revenue issues an amended monthly return for February to the Employer.**