PSDA Corrections workshop
Summary Findings
6th March 2017
Background
Stakeholder Design Workshops

As part of the PAYE Modernisation Project Revenue is engaging with external stakeholders to contribute to the design process. The main aims of this engagement are to:

• Gain insight into customers’ business processes
• Gain greater knowledge of pain points of the current system
• Identify and resolve any potential design issues from the outset ensuring practicality and reduction in administrative burden
• Provide transparency to the design process for all
• Gain buy-in from key stakeholders
• Overall, optimise design, implementation and success of the programme by using stakeholder expertise
Stakeholder Design Workshops

- The first set of design workshops with the PSDA was held on the 24\textsuperscript{th} and 25\textsuperscript{th} of January.
- On 6\textsuperscript{th} March another workshop was held with the PSDA. This was to specifically look at how to handle corrections in the new system.
Stakeholder Corrections Workshop

• The topics covered were:
  – Error in a full submission
  – Overpayments/underpayments
  – Incorrect PPSN
  – Pay date
  – Clerical errors
  – Year to date
  – General corrections
Error in a full submission
Workshop Suggestions

This discussion centred around how to handle a replacement of a full submission:

• Suggestion that this was unlikely to happen.
• Concerns over sending a deletion for the original submission and a new submission rather than a replacement.
Overpayments/Underpayments
Workshop Suggestions

This discussion centred around how to handle overpayments and underpayments to an employee:

• Most payroll operators adjust YTD and keep a note of the change for audit purposes. Some will submit a negative amount for overpayments. Not all systems currently allow for negative pay.

• Payroll systems ‘follow the money’ meaning they calculate PAYE, PRSI, USC based on the pay in the current payroll. Prior weeks are not currently corrected.

• DSP PRSI rules are complex.
Incorrect PPSN
Workshop Suggestions

This discussion centred around how to handle correcting reports that had the wrong PPSN for an employee:

• Incorrect PPSNs could be incorrect for several pay periods before it is discovered.
• PPSN doesn't matter to payroll - a payroll number is used.
• PPSN may not be stored on payroll records - it may be stored on a separate employee file and linked to the wages file.
• Suggestion that a ‘previous PPSN’ data item could be included in the employer submission.
Workshop Suggestions

• Employers have no way of knowing if the PPSN an employee provides is correct.

• Where PPSN not available, works number is mandatory. There will likely be a limit to the number of submissions that could be made without a PPSN.

• Once the correct PPSN is supplied, it will be necessary to delete the submission for all previous reports using the incorrect number and send a new submission to replace each of these deleted submissions. The next 2 slides demonstrate how this could be done.
Employer inputs Week 1 - 7 Pay Events for Employee 1 using the wrong PPSN
Employer amends Employee 1’s PPSN in the Payroll System

- **Employee 1**
  - **PPSN**: 1234
  - **Amends PPSN to**: 5678
  - **Week 1**: Deletion
  - **Week 2**: Deletion
  - **Week 3**: Deletion
  - **Week 4**: Deletion
  - **Week 5**: Deletion
  - **Week 6**: Deletion
  - **Week 7**: Deletion

- **Submission**
  - **Week 1**: Submission
  - **Week 2**: Submission
  - **Week 3**: Submission
  - **Week 4**: Submission
  - **Week 5**: Submission
  - **Week 6**: Submission
  - **Week 7**: Submission

- **Revenue**
Incorrect Pay Date
Workshop Suggestions

This discussion centred around how to handle incorrect pay dates:

• The definition of ‘pay date’ needs to be clarified particularly where the pay date is due to fall on a bank holiday.
Clerical Errors
Workshop Suggestions

This discussion centred around how to handle clerical errors:

• If fields are not significant then do they warrant several corrections? To be considered

• Not every system holds historical data because the only obligation after payment date is P30, P35 and P60. It is only held for recovery purposes.

• Concerns about how an employer could make amendments for a pay period where the employee has worked elsewhere in the interim.
Workshop Suggestions

• PSDA would prefer a different way of dealing with non-monetary corrections.
• Correction marker would be required in the payroll system as otherwise operator would not know if the payment is a correction or not.
YTD (Year to date)
Workshop Suggestions

There was a lot of discussion around the use of YTD figures:

• YTD amounts are needed if the employer is moving from one payroll provider to another.
• YTD amounts are fundamental to payroll operators.
• Payrolls don't always store payment records but just correct whatever period is current using YTD amounts.
• YTD totals can show to employers that the amount of pay is correct but they could miss sending a single payroll submission and not notice it - YTD figure will show up a missing pay period.
Workshop Suggestions

• Recording ‘Pay Year to Date’ plus ‘Pay in the Period’ will help identify errors.
• Is it possible for a submission to send both current payments and YTD amounts? To be considered
• All operators have YTD figures but not all have full historical data.
General Corrections
Workshop Suggestions

There was discussions about corrections in general:

- Sending acknowledgement receipt of transactions ASAP is critical.
- The acknowledgement receipt needs to hold details e.g. totals of what was submitted.
- There can be a delay between when the original submission is made and the subsequent correction. Original, deletion, new submission chronology must be maintained.
- There was a suggestion that corrections would require the full payroll report to be re-submitted and not at employee level.
Next Steps
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• Summary of discussions to be circulated
• Further feedback via payemodernisation@revenue.ie or PSDA Chairman
• The next PSDA workshop is scheduled for 20\textsuperscript{th} March which will focus on the Technical Architecture.
• Design workshops scheduled with other stakeholders including members of the Irish Tax Institute (ITI), Chartered Accountants Ireland (CAI) and pension providers.
• Ongoing engagement between Revenue and DSP working through impacts and opportunities of PAYE Modernisation, including taxation of benefits and PRSI reporting and collection.