Employer Submission Technical Workshop: Out of Year Corrections

2nd May 2017
## Agenda

<table>
<thead>
<tr>
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<th>Action Log Updates</th>
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Please Note

- Based on further analysis and feedback from PSDA, changes have been made to the approaches proposed in the last technical workshop on 10th April.
- Data Items not finalised – only items relevant to this discussion included.
- Not all technical considerations finalised at this stage.
Corrections

• While it is recognised that errors in payroll will occur, every effort should be made to ensure that submissions to Revenue are accurate and timely.

• Employees must be easily able to reconcile their payslips with the data submitted to Revenue on their behalf.

• All data received, including corrections and the timing of submissions, will feed into Revenue’s risk analysis systems.
1. Action Log Updates
Action Log Updates - Summary

• Definitions updated for following submission data items:
  – Pay Date
  – Pay Frequency
  – PAYE Calculation Basis
  – Gross Pay
  – PRSI Classes
  – USC Cut-off Points
  – USC Status
  – Director marker
Action Log Updates - Summary

• Following data items removed:
  – *Number of Earning periods covered by Payment*
  – *Final Payroll Indicator*

• Items related to ‘*Employment Unique Identifier*’
  – Will be discussed in the Submission Data Items section of this workshop

• P2C Data Items
  – Proposed to be discussed at next workshop

Full details of actions in separate ‘Action Log’ deck
2. Submission Data Items - Update

- Outlining changes to submission data items
- The changes are primarily to allow for proposed updates to the unique identification of employments
Review: Submission Request

Submission Request

Header
- Employer Details
- Payroll Software Details
- Message ID
- Run Reference

Line Items
- Employee Details
- Line Item ID
# Key Technical Data Items (Header)

<table>
<thead>
<tr>
<th>Data Item</th>
<th>Description and validation</th>
<th>Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Number</td>
<td>Employer’s (PAYE/PRSI) Tax Registration</td>
<td>Jointly used to uniquely identify employer’s individual submission</td>
</tr>
<tr>
<td>Message ID</td>
<td>Unique technical message identifier for submission</td>
<td></td>
</tr>
<tr>
<td>Submission Type</td>
<td>Possible Values:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Original</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Deletion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Correction</td>
<td></td>
</tr>
<tr>
<td>Run Reference (formerly Payroll Run Reference)</td>
<td>Reference to a particular payroll run for an employer</td>
<td>Used to manage reporting of totals and errors per payroll run</td>
</tr>
</tbody>
</table>
## Key Technical Data Items (Header)

<table>
<thead>
<tr>
<th>Data Item</th>
<th>Description and validation</th>
<th>Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Year</td>
<td>Tax Year to which the submission relates</td>
<td>Used to identify the tax year to which the submission relates</td>
</tr>
<tr>
<td>Agent TAIN</td>
<td>Tax Advisor Identification Number. Mandatory if the Payroll is being run by an Agent on behalf of an Employer</td>
<td></td>
</tr>
<tr>
<td>Software Used</td>
<td>Third party software product identifier</td>
<td>Helpdesk support</td>
</tr>
<tr>
<td>Software Version</td>
<td>Third party software product version</td>
<td>Helpdesk support</td>
</tr>
</tbody>
</table>
# Key Technical Data Items (Line Items)

<table>
<thead>
<tr>
<th>Data Item</th>
<th>Description and validation</th>
<th>Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Item ID</td>
<td>Unique reference to line item across submissions for a given payroll run</td>
<td>Used to identify line items to delete from previous submission for corrections</td>
</tr>
</tbody>
</table>
| Employer Reference         | Employer reference for a given employment for an employee. Depending on the employer this could be a works number or payroll number. **Mandatory if no PPSN available for employee; must not change while PPSN unavailable.** **Optional otherwise.** | Used to uniquely identify the employment of an employee with an employer where a PPSN is not available.  
- Will be displayed on P2C  
- Will be displayed on PAYE Online Services to employee  
- Can be provided by employee when setting up new job/pension (if they have received it from employer beforehand) |
## Key Technical Data Items (Line Items)

<table>
<thead>
<tr>
<th>Data Item</th>
<th>Description and validation</th>
<th>Context</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment ID</strong> <em>(formerly Employment Unique Identifier)</em></td>
<td>Mandatory <em>numeric</em> unique identifier for a given employment for an employee.</td>
<td>Used to uniquely identify each employment for the employee.</td>
</tr>
<tr>
<td></td>
<td>Unique for each employee PPSN – not required to be unique across employer PREM number.</td>
<td>Will be used in conjunction with the Employer number and the PPSN to verify if employment record exists.</td>
</tr>
<tr>
<td></td>
<td>Must be different in cases where an employee leaves and is re-employed at a later date in the tax year.</td>
<td>- Will be displayed on P2C</td>
</tr>
<tr>
<td></td>
<td>Can be re-used across tax years.</td>
<td></td>
</tr>
</tbody>
</table>
Employment ID – Example #1:
Commencing an Employment where the PPSN is not available

• John and Mary start working for Employer 1234567T on 1st April
• John doesn’t have a **PPSN** yet so **Employer Reference** required
• Mary’s PPSN is known so **Employment ID** is required. Employer Reference is not required.

<table>
<thead>
<tr>
<th>Employer Number</th>
<th>Run Reference</th>
<th>Employee Name</th>
<th>Employee PPSN</th>
<th>Employer Reference</th>
<th>Employment ID</th>
<th>Employment Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234567T</td>
<td>Week 1</td>
<td>John</td>
<td>1111</td>
<td></td>
<td></td>
<td>1/4/YY</td>
</tr>
<tr>
<td>1234567T</td>
<td>Week 1</td>
<td>Mary</td>
<td>0000002D</td>
<td>1</td>
<td>3300</td>
<td>33800</td>
</tr>
</tbody>
</table>

• After submission, Revenue will issue a P2C for Mary only
Employment ID – Example #1 (continued)
Commencing an Employment where the PPSN is not available

- John receives his **PPSN** in time for the Week 4 Payroll
- The **Employer Reference** should be included in this submission as it will be used to connect this item with previously submitted items. The **Employment ID** is now also required for John.
- Once the PPSN is available, Revenue creates the employment for John with an **Employment Start Date** of 1/4/YY (i.e. start date from 1\textsuperscript{st} submission for Employer Reference 1111).

<table>
<thead>
<tr>
<th>Employer Number</th>
<th>Run Reference</th>
<th>Employee Name</th>
<th>Employee PPSN</th>
<th>Employer Reference</th>
<th>Employment ID</th>
<th>Employment Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234567T</td>
<td>Week 4</td>
<td>John</td>
<td>0000001B</td>
<td>1111</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

- After submission, Revenue will issue a P2C for John:

<table>
<thead>
<tr>
<th>Employer Number</th>
<th>Employee PPSN</th>
<th>Employer Reference</th>
<th>Employment ID</th>
<th>Yearly Tax Credit</th>
<th>Yearly Standard Rate Band</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234567T</td>
<td>0000001B</td>
<td>1111</td>
<td>1</td>
<td>3300</td>
<td>33800</td>
</tr>
</tbody>
</table>
Employment ID – Example #2: Commencing a second Employment with the same Employer

- Mary is starting a second employment with Employer 1234567T on 1/6/YY (i.e. in the same tax year)
- A new **Employment ID** is required for Mary for this second employment

<table>
<thead>
<tr>
<th>Employer Number</th>
<th>Run Reference</th>
<th>Employee Name</th>
<th>Employee PPSN</th>
<th>Employer Reference</th>
<th>Employment ID</th>
<th>Employment Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234567T</td>
<td>Week 9</td>
<td>Mary</td>
<td>0000002D</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>1234567T</td>
<td>Week 9</td>
<td>Mary</td>
<td>0000002D</td>
<td></td>
<td>2</td>
<td>1/6/YY</td>
</tr>
</tbody>
</table>

- After submission, Revenue will issue a new P2C for Mary’s second employment:

<table>
<thead>
<tr>
<th>Employer Number</th>
<th>Employee PPSN</th>
<th>Employer Reference</th>
<th>Employment ID</th>
<th>Yearly Tax Credit</th>
<th>Yearly Standard Rate Band</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234567T</td>
<td>0000002D</td>
<td></td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Employment ID – Example #3:
Recommencing an employment with the same employer

• John finished up working for Employer 1234567T on 1/7/YY. The Date of Leaving was included in the final submission for John

<table>
<thead>
<tr>
<th>Employer Number</th>
<th>Run Reference</th>
<th>Employee Name</th>
<th>Employee PPSN</th>
<th>Employer Reference</th>
<th>Employment ID</th>
<th>Date of Leaving</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234567T</td>
<td>Week 13</td>
<td>John</td>
<td>0000001B</td>
<td></td>
<td>1</td>
<td>1/7/YY</td>
</tr>
</tbody>
</table>
Employment ID – Example #3 (continued)
Recommencing an employment with the same employer

- John returns to work with Employer 1234567T on 1/9/YY (i.e. in the same tax year). A new Employment ID of ‘2’ will be allocated to John as this is considered a new employment in the tax year.

<table>
<thead>
<tr>
<th>Employer Number</th>
<th>Run Reference</th>
<th>Employee Name</th>
<th>Employee PPSN</th>
<th>Employer Reference</th>
<th>Employment ID</th>
<th>Employment Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234567T</td>
<td>Week 15</td>
<td>John</td>
<td>0000001B</td>
<td></td>
<td>2</td>
<td>1/9/YY</td>
</tr>
</tbody>
</table>

- Revenue will then issue a P2C for John’s new employment:

<table>
<thead>
<tr>
<th>Employer Number</th>
<th>Employee PPSN</th>
<th>Employer Reference</th>
<th>Employment ID</th>
<th>Yearly Tax Credit</th>
<th>Yearly Standard Rate Band</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234567T</td>
<td>0000001B</td>
<td></td>
<td>2</td>
<td>3300</td>
<td>33800</td>
</tr>
</tbody>
</table>
2. Out of Year Corrections

• Corrections required to payroll after a tax year has passed
Out of Year Corrections: Introduction

• Need to have a mechanism to allow employers notify Revenue of corrections to payroll after the end of the tax year
Corrections Timeline & Milestones

1 Submit corrections
2 Submit corrections
3 Submit corrections
4 Submit corrections
5 Submit corrections
6 Submit corrections
7 Submit corrections
8 Submit corrections
9 Submit corrections
10 Submit corrections
11 Submit corrections
12 Submit corrections
13 Close Date

- Prior Year Adjustment

Statutory return due dates for previous month

2019

2020

Timeline:

Jan 2020
Feb 2020
Mar 2020
Apr 2020
May 2020
Jun 2020
Jul 2020
Aug 2020
Sep 2020
Oct 2020
Nov 2020
Dec 2020
Jan 2021
Feb 2021

Corrections Timeline & Milestones
Prior Year Adjustment

- For items that need to be corrected in previous year, a new type of submission will be required.
- A Prior Year Adjustment will be required. This will include only relevant data items that can be amended.
- Adjustments will need to be specified by employee and by return period.
- Adjustments will not be required for individual submissions from prior year.
# Prior Year Adjustment Structure

## Header
- Employer Details
- Payroll Software Details
- Message ID

## Line Items
- Employee PPSN
- Employment ID
- **Pay Period (i.e. Month / Quarter)**
- Pay & Deduction adjustment amounts (+ or -)
3. AOB

- Next Workshop
  - Topics:
    - P2C Technical Message Flows
    - Employment Creation & Cessation Update
    - Prior Year Adjustment: Draft Schema
  - Proposed Date 23rd May