PSDA Workshop

3 April 2017

Agenda

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- Revised submission data details
- Concept for creating and ceasing employments
- Out of year amendments
- Error/reporting - system response messages
- P2C revised format
- Illness benefit
- Return reconciliation

Employer submission data

Submission Data Items v0.003

First Name	Added to submission data
Family Name	Added to submission data
Amount contributed by Employee to AVC scheme	Added to submission data
Standard Rate this Period	Change to back to Mandatory from optional.
Tax Credits this Period	Change to back to Mandatory from optional.
Corrections Marker	Removed from submission data
First payment date correction relates to	Removed from submission data
Last payment date correction relates to	Removed from submission data
Corrections reason	Removed from submission data
Employment instance number	Removed from submission data
Employment unique identifier	Added to submission data

Importance of Data Quality

- What can we do to improve data quality.
- Of particular concern are:
  - Employer Number – correct one being used
  - PPSN – correct one being used
  - Employment – the employment records we will set up on foot of the submission data.

Concepts for commencing and ceasing employments

Commence Employment Message

- Provides a function to commence an employment
- The employment can be commenced in advance of the first payroll submission for the new employee
- A P2C will be created
- A TCC will be issued to the employee

Commencement Message

Message Reference Number	Numeric	Mandatory	Unique message identifier	Used to uniquely identify individual messages for correction purposes
Submission Type	Numeric	Mandatory	1 = Commencement	Used to determine commencement date of employment.
Employer Number	String	Mandatory	The registration of the employer (up to 9 chars). Must be valid Employer Registered number	Used to identify employer to which the submission relates. Will be used in for pre-population of employer return.
PPSN	String	Optional	The registration of the employee (up to 9 chars). Must be valid PPS number. Format is 7 digits (including leading zeros) followed by check character/s	Used to identify employee to which commencement relates. In conjunction with employer number and the unique employment identification number.

First Name	Text String	Mandatory if PPSN not submitted but otherwise optional	The first name of employee. No validation required.	Could be used in tracing PPSN if not supplied and can be used to identify employee.
Family Name	Text String	Mandatory if PPSN not submitted but otherwise optional	The family name of employee. No validation required.	Could be used in tracing PPSN if not supplied and can be used to identify employee.
Date of Birth	Formatted Date (DD/MM/YYYY)	Mandatory if PPSN not submitted but otherwise optional	Date of birth of employee	Could be used in tracing PPSN if not supplied
Pension Tracing Number	True/False	Mandatory	Set to True if the Employee is receiving a pension. The format of the pension tracing number is "PBXXXXXX", where XXXXXX is a number with up to 6 digits. E.g. PB1234	Required by DSP.

Pay Frequency	Numeric	Mandatory	0 indicates Weekly, 1 indicates Fortnightly, 2 indicates Monthly, 3 indicates Four-Weekly, 4 indicates Quarterly, 5 indicates Other	Used for employee in- year reconciliations
Works Number	String	Mandatory if PPSN not submitted but otherwise Optional	Employee internal staff identifier, up to 12 chars.	Used to uniquely identify the unique employment for the employer and employee.
Payroll identifier	Free Text	Mandatory	Field to uniquely identify the Employer's payroll location	Used to uniquely identify the Employer's Payroll. Will be on P2C
Unique employment identification number	Number	Mandatory	Field to uniquely identify each instance of an Employee's employment for the Employer	Used to uniquely identify each employment for the employee.

Additional employment	y/n	Mandatory	Yes if there an existing live employment with the same employer. (May not be required because of unique employment identification number)	Multi employment processing will kick in
Employment Start Date	Formatted Date (DD/MM/YYYY)	Mandatory	Report this date when the employee starts work. (facility will allow future dates)	Establishes the start date for the employment. Will be used in conjunction with other employment details held by Revenue to determine if credits and rate bands need to be reallocated to this new employment.
Director	Numeric	Mandatory	1 = proprietary 2 = non-proprietary 3 = spouse of Director 4 = child of Directory 0 = n/a	Used to indicate eligibility of EITC
Exclusion order				Potential here to build in online Exclusion Order application.

SARP indicator				Potential here to build in online SARP application.
Foreign tax credit	True / False	Mandatory	Will the employee pay tax on this employment outside of Ireland?	Used to indicate if employee is in receipt of a foreign tax credit.
Shadow Payroll Indicator	True / False	Mandatory	Set to True for Shadow payment	Used to indicate increased likelihood of corrections and delayed submission
PRSI Exemption	True / False	Mandatory	This field allows for the filing of returns for employees who are exempt from paying PRSI in Ireland.	Used for the generation of the employee end of year statement
Employment Type	alpha	Mandatory	01 –seasonal 01 – permanent 03 – pension 04 - community based 05 – Income continuance plan	This field is still under consideration.

Cease Employment Message

- Provides a facility to cease an employment outside of a payroll submission

  o An employment may be ceased without a payment

  o The employee may be deceased

Cease Employment Message

Message Reference Number	Numeric	Mandatory	Unique message identifier	Used to uniquely identify individual messages for correction purposes
Submission Type	Numeric	Mandatory	1 = Employment Cessation	Used to indicate that employment has now ceased.
Employer Number	String	Mandatory	The registration of the employer (up to 9 chars). Must be valid Employer Registered number	Used to identify employer to which the submission relates. Will be used in for pre-population of employer return.
PPSN	String	Optional	The registration of the employee (up to 9 chars). Must be valid PPS number. Format is 7 digits (including leading zeros) followed by check character/s	Used to identify employee to which cessation relates, in conjunction with employer number and the unique employment identification number.

Unique Employment Identification number	Number	Mandatory	Field to uniquely identify each instance of an Employee's employment for the Employer.	Used to uniquely identify each employment for the employee
First Name	Text String	Mandatory if PPSN not submitted but otherwise optional	The first name of employee. No validation required.	Could be used in tracing PPSN if not supplied and can be used to identify employee.
Family Name	Text String	Mandatory if PPSN not submitted but otherwise optional	The family name of employee. No validation required.	Could be used in tracing PPSN if not supplied and can be used to identify employee.
Date of Birth	Formatted Date (DD/MM/YYYY)	Mandatory if PPSN not submitted but otherwise optional	Date of birth of employee	Could be used in tracing PPSN if not supplied

Works Number	String	Mandatory if PPSN not submitted but otherwise optional	Employee internal staff identifier, up to 12 chars.	Used to uniquely identify the unique employment for the employer and employee.
Payroll identifier	String	Mandatory	Field to uniquely identify the Employer's payroll	Used to uniquely identify the Employer's Payroll.
Employment Cessation date	Formatted Date (DD/MM/ YYYY)	Mandatory	Report the date the employee ceased work.	Establishes the cessation date for the employment. Will be used in conjunction with other employment details held by Revenue to determine if credits and rate bands need to be reallocated to other employments

Out of year amendments

Out of year amendments

- Revenue to aggregate total PAYE, PRSI, USC and LPT at employer level after final payroll submission.

- Annual statement available to Employer for information purposes – End of Year Message.

- Not to be confused with P35 and P35L Returns.

Out of year amendments

- Information that becomes available after end of Tax Year.

- Examples – Revenue Audits, DSP Audits, S985B (Minor & Irregular Benefits)

- Employer Corrections that affect the bills already paid in-year.

Error Reporting/Response Messages

Error Scenarios
If any of the below scenarios occur, the submission will not be processed

Scenario	Potential Response
The submission file does not pass schema validation.	Invalid format for message as it does not conform to the appropriate XML schema. Please refer technical message below to your software provider.
The submission is associated to an expired digital certificate.	The digital certificate used for this submission has expired.
Incorrect Employer Number has been used, or the Employer Number used does not have an active PREM registration.	Please review the Employer Number supplied.
An agent has submitted for an Employer (PREM registration) whom they do not have an active relationship with.	Please ensure there is an active Agent Link with this Employer.
A duplicate message is being submitted.	This is a duplicate message, please review submission.
Incorrect tax year included (e.g. pre-2019)	Please review tax year.

Error Scenarios
Submission will be accepted but line item error will be returned

Scenario	Potential Response
The line item does not pass business rules validation as per Submission Data Item document	Explanation per rule broken e.g. Error on 'Pay for PAYE', Pay for PAYE value must be less than or equal to value of Gross Pay
Where a PPSN supplied is not registered with Revenue or the DSP.	Please review the PPSN supplied : 1234567T
Where a PPSN is not supplied after the specified maximum amount of submissions.	Employee with Works Number S12345 has been submitted maximum amount of times without PPSN present.

P2C Format

P2Cs in the new system

What we expect the following in the new system:

- More regular P2Cs

- To deal with DSP payments more efficiently

- API should result in a streamlined and efficient service

- Seamless integration to the payroll process.

Data Item	Type	Condition	Description and validation	Context
Tax Year	4 digit year value, format YYYY.	Mandatory		Used to identify the tax year to which the P2C relates.
Date of Certificate	Format DD/MM/YYYY	Mandatory		The date the P2C issued.
Employer Name	String	Mandatory		The registered name of the employer.
Employer Registered Number	String	Mandatory	The registration of the employer (7 digits and 1 or 2 letters). Must be a valid Employer Registered number registered for PREM	Used to identify employer to which the P2C relates.
Employee Forename	String	Mandatory		Forename of the employee.
Employee Surname	String	Mandatory		Surname of the employee.
PPSN	String	Mandatory	Must be valid PPS number (up to 9 chars).	Used to identify employee to which the P2C relates.
Previous PPSN	String	Optional	Must be valid PPS number (up to 9 chars)	Used to identify employees previous PPS number if applicable e.g. W PPS number.

Data Item	Type	Condition	Description and validation	Context
Employment Instance Number / Unique Identifier	String	Mandatory	*Possible field to uniquely identify each instance of an Employee's employment for the Employer*	Used to uniquely identify each employment for the employee. This field must be mandatory in case more than one employment is set up under the same Employer Registered Number.
Works Number	String	Mandatory	Employee internal staff identifier. Up to how many characters?	Used to uniquely identify the unique employment for the employer and employee.
Payroll Identifier	String	Mandatory		In case employer changes software / site
Tax Basis	String	Mandatory	Cumulative Week 1 Emergency Exempt? Exclusion order?	Used to indicate the correct tax basis to be applied. May be no need to include Exemption (as Tax Credits and Standard Rate Band are adjusted when an exemption applies) or Exclusion Order (as this is separate to P2C).
Date Certificate Begins	Format DD/MM/YYYY	Mandatory		1st January if cumulative basis applies. Date the cert issued if Week 1 basis applies.
Date Certificate Ends	Format DD/MM/YYYY	Optional		The date the P2C ends. Applicable to Tax Basis Week 1

Data Item	Type	Condition	Description and validation	Context
Total Pay for PAYE to Date	Numeric	Optional	When multiple employments exist, we need to include correct previous employment income on the P2C.	Include total income liable to PAYE to date – include previous employment income, DSP income and any additional declared income liable to PAYE e.g. Rental Income.
DSP Illness Benefit	Numeric	Optional	Employee Illness Benefit *Reviewing operation of IB with DSP – design decision outstanding.*	Amount included in the above that refers to taxable DSP Illness Benefit *Possible Data Protection issue?*
Total PAYE Deducted to Date	Numeric	Optional		Total PAYE tax paid to date. Taking into account any PAYE refunded through any unemployment repayment claim(s).
Yearly Tax Credit	Numeric	Mandatory		Net Tax Credits. Breakdown is displayed to employee through PAYE Services.
Tax Rate 1	String	Mandatory		Lower rate of PAYE. Currently 20%
Yearly Standard Rate Band 1	Numeric	Mandatory		Total allocated Standard Rate Band. Breakdown is displayed to employee through PAYE Services.
Tax Rate 2	String	Mandatory		Higher rate of PAYE. Currently 40%
Yearly Standard Rate Band 2	Numeric	Optional		In case introduced in a future budget.
Tax Rate 3	String	Optional		In case introduced in a future budget.

Data Item	Type	Condition	Description and validation	Context
Yearly Standard Rate Band 3	Numeric	Optional		In case introduced in a future budget.
Tax Rate 4	String	Optional		In case introduced in a future budget.
Yearly Standard Rate Band 4	Numeric	Optional		In case introduced in a future budget.
Tax Rate 5	String	Optional		In case introduced in a future budget.
PRSI Exemption	True / False	Mandatory		Individual may be exempt from paying PRSI due to residence or under 16 / over 66 / deceased. *Possible Data Protection issue?*
PRSI Review Marker	True / False	Mandatory	This field will indicate if an employer should review the PRSI class.	
Other Income Liable to PRSI	Numeric	Optional		To be included if additional income liable to PRSI is declared e.g. Rental Income.
USC Status	String	Mandatory	Ordinary Reduced Exempt	Used to deduct correct amount of USC.
USC Band 1 Rate	String	Optional	Applicable to USC Status' Ordinary and Reduced	Current rate 0.5%.
Yearly USC Band 1	Numeric	Optional		Applicable to USC Status' Ordinary and Reduced.

Data Item	Type	Condition	Description and validation	Context
USC Band 2 Rate	String	Optional	Applicable to USC Status Ordinary	Current rate 2.5%.
Yearly USC Band 2	Numeric	Optional		Applicable to USC Status Ordinary.
USC Band 3 Rate	String	Optional		Current rate 5%.
Yearly USC Band 3	Numeric	Optional		Applicable to USC Status Ordinary.
USC Band 4 Rate	String	Optional		Current rate 8%.
Yearly USC Band 4	Numeric	Optional		Applicable to USC Status Ordinary.
USC Band 5 Rate	String	Optional		In case introduced in a future budget.
Pay for USC to Date	Numeric	Mandatory	Net pay subject to USC	Include total income liable to USC to date – include previous employment income and any additional declared income liable to USC e.g. Rental Income.
USC Paid to Date	Numeric	Mandatory	USC deducted or refunded in this employment. Negative if USC refunded.	Total USC paid to date. Taking into account any USC refunded through any unemployment repayment claim(s).
LPT to be Deducted	Numeric	Optional	Local Property Tax amount due.	Amount of LPT to be deducted through payroll.

Options for dealing with Illness Benefit

Illness Benefit

- Issues raised through consultation process:
  - Notifications of commencement and cessation not being received
  - Agents/outsourced payroll do not receive notification
  - ROS inbox has to be checked each time payroll is run
  - Delays in receiving notifications
- **Solution:** include on P2C

Options for inclusion of Illness Benefit (IB) on P2C

Option 1	Considerations
Include Illness Benefit in 'total pay (for PAYE purposes) to date'	• Correct amount of tax will be collected in majority of cases • Employer won't know correct amount of Illness Benefit to recoup from employee where the employer pays the employee while out sick • Employer won't know correct amount of Illness Benefit where the employer tops-up the Illness Benefit • Where employer doesn't pay while out sick, correct tax will be collected on return to work. The unused credits during the period of sick leave should cover the tax due on return to work • Employee can continue to be taxed on cumulative basis.

Options for inclusion of Illness Benefit (IB) on P2C

Option 2	Considerations
Include Illness Benefit in new, separate field ('Illness benefit/DSP payment')	• Possible data protection considerations (but DSP currently provide this data to employer via ROS inbox) • Correct amount of tax will be collected in majority of cases • Employer will know the amount of Illness Benefit received by the employee • Employee can continue to be taxed on a cumulative basis

Options for inclusion of Illness Benefit (IB) on P2C

Option 3	Considerations
Reduce tax credit/SRCOP to take account of illness benefit	• Correct amount of tax will be collected in majority of cases • But, employee may not have sufficient credits/SRCOP to absorb tax due on Illness Benefit in all instances • Employer won't know the correct amount of Illness Benefit to recoup from the employee where the employer pays the employee while out sick • Employer won't know the correct amount to pay where the employer tops-up the illness benefit payment • Employee will be taxed on week one basis

Taxation of Other DSP Benefits

- Single approach preferable for clarity
- But could distinguish between regular, fixed term payments (e.g. maternity/paternity) and short term, sporadic payments (e.g. illness/jobseekers benefit)
- Currently, set period DSP payments taxed through P2C by reducing the credits/rate bands on week 1 basis
- Such payments could also be taxed through the P2C by including the amount in total pay to date:
  - new P2C would issue every week even though the amount is not going to change/stop for a specific period of time
  - would allow the employee to stay on cumulative

Returns Reconciliation

Disagreement on the bill

- Totals (i.e. PAYE, PRSI, USC, LPT) will be provided each time a submission is received. Therefore, an mismatched figure should be caught as early as possible.
- **Option 1**: Facility to export all submissions.
- **Option 2**: API call to return all records previously submitted to Revenue in the tax year.

Option 1: Returns export

- Export will be in the same format as submission i.e. XML file

- Each submission will be rolled up per period to allow for quick identification of the pay period where the error occurred while comparing to your own records.

- Likewise, when period is expanded, each employee will be rolled for quick comparison.

Option 2: Returns all records API call

- Only a digital certificate with the appropriate permissions can initiate the API call to return all records submitted to date for a specific tax year.

- This would return all cumulative values to date for each employee that appeared on the payroll throughout the specified tax year.
  - Similar to a Revenue view of YTD figures

- There may be other information that could be valuable to return, e.g. PRSI details