PAYE Modernisation
PSDA Workshop

11th July 2018

Agenda

- PIT Update
- Draft Income Tax (PAYE) Regulations
- List of Employees
- Parallel Test
- Error Messages
- Known Error List
- P35 2018
- PSDA Actions
- AOB

PIT Update

PIT Update

- Documents published on Helpdesk (29th June)
  - Revised version of Known Error's List
  - Release Schedule

- Open tickets – 36 from 14 companies
- Closed tickets – 207 from 30 companies

- Last Release – June 29th
  - Agent Access
  - Returns Reconciliation Service
  - Leading Zero Removed From PPSNs in Responses
  - Bug Fixes

- Next Release – July 17th
  - Compression
  - Lookup RPN by range
  - Bug fixes

Draft Income Tax (PAYE) Regulations

Draft Income Tax (PAYE) Regulations

- Draft Income Tax (PAYE) Regulations published at with all technical documentation for PAYE Modernisation – will share link.
- Draft Regulations were issued to Tax Administration Liaison Committee (**TALC**) and sub committees
- The document sets out draft amending Income Tax Regulations (PAYE) to reflect the position from 1 January 2019. It is emphasised that these are draft Regulations and may be subject to change in the light of feedback from stakeholders.
- Any comments on these draft Regulations should be sent to the PAYEModernisation@revenue.ie using the subject line "Draft Regulations"
- USC draft regulations in progress
- Some of the required changes are also in social welfare legislation and LPT legislation. These are also in progress.

Draft Income Tax (PAYE) Regulations

- Key Points
  - Some regulations have been removed as they are now in primary legislation – e.g. regulations 7, 8 and 9
  - New regulations have been added for PAYE Modernisation – e.g. 17.3 specifying new required data items
  - Some regulations amended to refer to Revenue Payroll Notification rather than tax deduction card

Revenue Payroll Notification

- "revenue payroll notification" means, in relation to an employment, the latest notification that –
  - (a) is issued by or made available by the Revenue Commissioners to an employer in respect of an employee, and
  - (b) contains information relating to the calculation and deduction of tax for the year in which the emoluments are paid;

Calculation and making of deduction or repayment

- (3) On or before the making of any payment of emoluments to an employee, including emoluments referred to in Regulations 19, 19A, 21 and 22, the employer shall send the following information relating to the payment of such emoluments to the Revenue Commissioners

Calculation and making of deduction or repayment

- (k) the employment identifier being a unique identifier assigned to the employment of an employee by an employer where the particulars being sent include the employee's personal public service number,

PAYE Web Service Examples

Document Description	Type	Version	Date Last Updated
PAYE Modernisation Description Of Web Service Examples	PDF	1.0 Release Candidate 2	19/06/2018

Employment ID-Commencing Employment

- Employer assigns an employment ID when employee commences employment
- This Employment ID may not be changed
- Where there are multiple employments with the same employer a separate employment ID must be allocated to each of these employments
- The employment ID cannot be reused in year where an employment ceases and recommences in the same tax year

Employment ID- Post Cessation Payments

- The exception to this is where the employer is making a post cessation payment to an employee

- In this scenario only the employer must report the same Employment ID that was used while the employee was working for that employer so that Revenue can link the post cessation payment to the ceased employment

Employment ID- Recommencements

- If an employee ceases employment and recommences in the same year a new Employment ID must be allocated to the new employment

- If an employment recommences in a subsequent year then the same Employment ID may be used

Calculation and making of deduction or repayment

- (j) the employer reference being a unique staff identifier assigned to the employee by the employer which may not be changed where the employer has not already included the employee's personal public service number in a prior submission,

Employer obligations when an employee commences or ceases employment

- (1) When an employee commences employment with an employer, the employer shall send the following particulars, relating to the employee, to the Inspector –
  - (a) his or her personal public service number, or in the absence of such number, the employer reference referred to in subparagraph (j) of paragraph (3) of Regulation 17,
  - (b) his or her full name,
  - (c) the date of commencement of the employment
  - (d) his or her address and date of birth in the absence of his or her personal public service number, and
  - (e) an the employment identifier referred to in subparagraph (k) of paragraph (3) of Regulation 17.
- (2) An employer shall notify the Inspector of the date of cessation of employment of an employee no later than the date of cessation.

Emergency Basis of Deduction

- (1) This Regulation applies where an employer makes payments of emoluments to or on behalf of an employee in respect of whom a revenue payroll notification has not been received or made available to the employer.

- (2) Where paragraph (1) applies, on making any payment of emoluments to or on behalf of an employee referred to in that paragraph who has not furnished the employer with his or her personal public service number, the employer shall deduct tax from such payment at the higher rate of tax.

Emergency Basis of Deduction

- (3) Where an employee furnishes the employer with his or her personal public service number, the employer shall take all reasonable measures to establish that the number furnished is in fact the personal public service number of that employee.
- (i) during the period of 4 weeks, or in the case of an employee paid monthly, 1 month, from the day on which the employee first holds an employment with the employer, the employer shall deduct tax at the standard rate of tax and, where appropriate, the higher rate of tax on the basis that the amount of the standard rate cut-off point is an amount per week equal to one fifty-second of the amount chargeable to tax at the standard rate specified in Part 1 of the Table to section 15 of the Act, as it applies for that year, or if the employee is paid monthly, one-twelfth of that amount, and
- (ii) during any subsequent period, the employer shall deduct tax at the higher rate of tax.

Emergency Basis of Deduction

Emergency Basis of Tax & USC Deduction 2018

Emergency Basis of Tax Deduction 2018

Tax Rates	
Standard Rate of Tax	20%
Higher Rate of Tax	40%

Where employee does not provide a PPS Number

Week or Month	Cut-Off Point	Tax Credit
All	€0.00	€0.00

Where employee provides a PPS Number

Weekly paid	Weekly Cut-Off Point	Weekly Tax Credit
Weeks 1 to 4	€665	€32
Weeks 5 to 8	€665	€0.00
Week 9 onwards	€0.00	€0.00

Monthly Paid	Monthly Cut-Off Point	Monthly Tax Credit
Month 1	€2,880	€138
Month 2	€2,880	€0.00
Month 3 onwards	€0.00	€0.00

Other Pay Frequencies		
Pay Frequency	Cut-Off Point	Tax Credits
4-Weekly	34,550 / 13 = 2,658	1,650 / 13 = 127
Twice-Monthly	34,550 / 24 = 1,440	1,650 / 24 = 69
Fortnightly	34,550 / 26 = 1,329	1,650 / 26 = 64

Emergency Basis of USC Deduction 2018

Week or Month	USC Cut-Off Point	USC Rate
All	€0.00	8%

Proposed Emergency Basis of Tax & USC Deduction 2019
(based on 2018 tax & USC rates/bands)

Emergency Basis of Tax Deduction 2019

Tax Rates	
Standard Rate of Tax	20%
Higher Rate of Tax	40%

Where employee does not provide a PPS Number

Week or Month	Cut-Off Point	Tax Credit
All	€0.00	€0.00

Where employee provides a PPS Number

Weekly paid	Weekly Cut-Off Point	Weekly Tax Credit
Weeks 1 to 4	€665	€0.00
Week 5 onwards	€0.00	€0.00

Monthly Paid	Monthly Cut-Off Point	Monthly Tax Credit
Month 1	€2,880	€0.00
Month 2 onwards	€0.00	€0.00

Other Pay Frequencies		
Pay Frequency	Cut-Off Point	Tax Credits
4-Weekly	34,550 / 13 = 2,658	0
Twice-Monthly	34,550 / 24 = 1,440	0
Fortnightly	34,550 / 26 = 1,329	0

Emergency Basis of USC Deduction 2019

| Week or Month	USC Cut-Off Point	USC Rate
All	€0.00	8%

List of Employees

List of Employees

- Ros Banner request is now available for those in the first tranche (Legal, accounting, management, architecture, engineering, technical testing and analysis)

- Second tranche August and final tranche in September

- Software Developers have a template report that the employer can use to submit info

- Detailed instructions published for employers, eBrief on 28/6 available on revenue.ie.

- Employer Helpdesk will manage all queries

Employer Helpdesk Number:1890 25 45 65

Banner Notification

A banner within ROS will appear informing them that the application is now live.
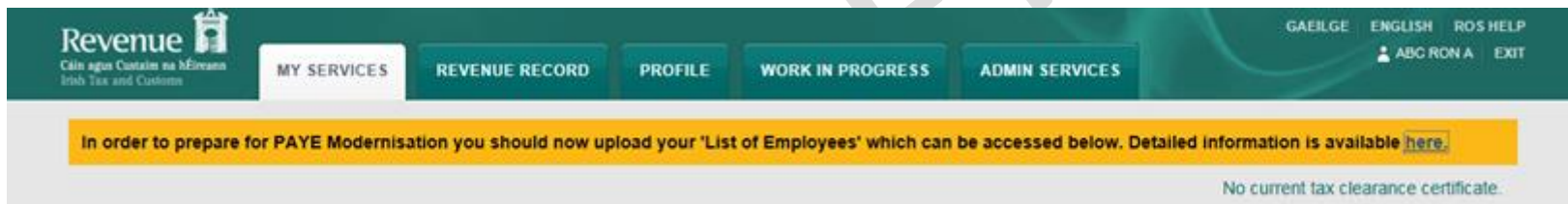
In order for someone to be able to view & upload the List of Employees application they must have PREM 'file' permissions.

Getting Ready

Before submitting the List of Employees, it is important that employers ensure they have:

- A PPS Number for all employees (<u>employees cannot be included without a PPS Number</u>);
- The most up-to-date PPS Number for all employees by checking the most recent P2C issued by Revenue;
- Followed the P45 process for any employees who have left their employment;
- Submitted Part 3 of the Form P45 or Form P46 for any employees who have started in their employment;
- Requested any first-time employees in the country to register their job with Revenue through myAccount;
- Included any employees who have an Exclusion Order;
- Only included current employees in the list.

List of Employees

- 944 employers have uploaded a list of employees
  - 31 have failed first tolerance check – they must accept submission to be processed
  - 25 failed second tolerance check – they must contact employer helpdesk to approve processing of submission.
- Nearly 60% of employers who have uploaded their list of employees have 5 or less employees
- Lists uploaded cover
  - Over 55,000 employees uploaded (note this includes 1 large employer which hasn't yet processed)
  - Nearly 550 employment records commenced
  - Over 2,300 employment records ceased

Parallel Test

Parallel Test - Update

- Parallel Test Proposal Document
  - Overview, timelines, functionality

- Timelines
  - List of participating customers by July 27th
  - Customer on-boarding from mid-August
  - Testing period from mid-September to mid-November

- Process for Providing List of Customers
  - Revenue File Transfer Service (RFTS)
  - Spreadsheet Template
  - Max 15 customers per product (employers and/ or their agents)

Parallel Test - List of Customers

1. Initial Email from Revenue Officer

Liston, Brian   Liston, Brian

LB

PAYE Modernisation Parallel Testing - List of Participating Customers

📄 Revenue File Transfer System External Guide v1.5.pdf
559 KB

Dear Mr Bloggs,

I am contacting you in relation to the upcoming PAYE Modernisation Parallel Testing process.

In order to prepare for this, Revenue requires you to provide details of the customers who you wish to participate in the testing. You can securely transfer this information to Revenue using the Revenue File Transfer Service (https://rfts.revenue.ie), for which I have attached a user guide.

I will shortly initiate this process by sending you a "Package" in RFTS, containing a spreadsheet for you to complete. You will receive an email notification of this, after which you will need to phone me at 01-1234567 to receive your login credentials for RFTS. Thereafter, you can log in and download the spreadsheet. When ready, I would ask you to please return the completed spreadsheet to me by replying to my message in RFTS and attaching the spreadsheet.

The deadline for returning the completed spreadsheet is Friday July 20th. Please contact me by phone or email if you have any questions on this matter.

Regards,

Parallel Test - List of Customers

2. Notification of RFTS Package

From: Brian Liston (bliston0) via Revenue File Transfer Service <no-reply@revenue.ie>
Date: Thu 28 Jun 2018, 10:20 AM
Subject: New Revenue File Transfer Notification
To: <​   ​@gmail.com>

Revenue File Transfer Service Package Notification

A new package from the Revenue File Transfer Service has been posted for you.
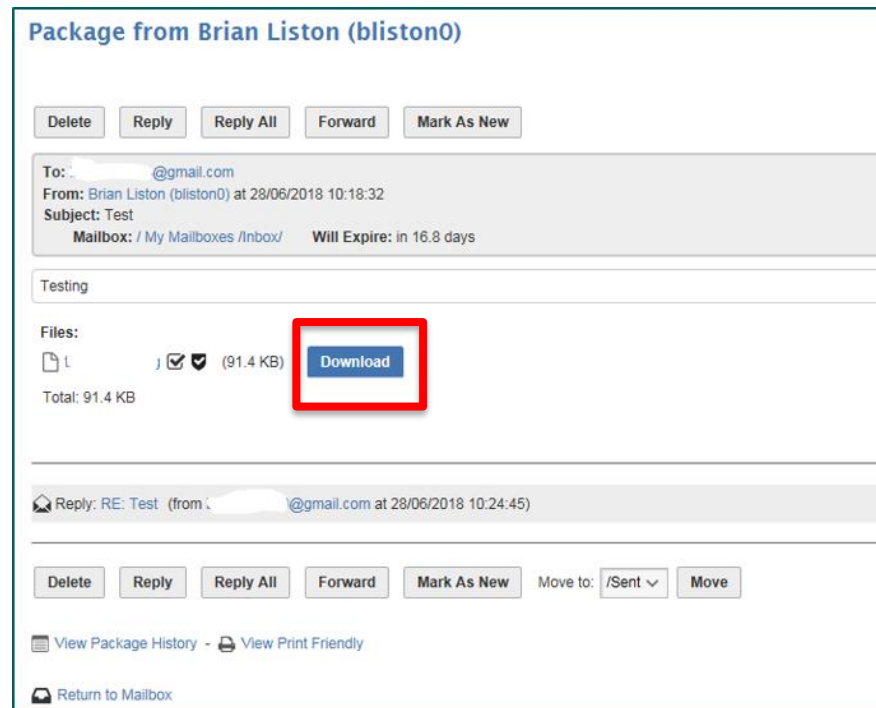
Subject: Test

To access this package, you require the URL and credentials in order to login and access this package. These credentials and URL will be provided to you by Brian Liston (bliston0).

Revenue File Transfer Service
Office of the Revenue Commissioners

Parallel Test - List of Customers

3. Contact Revenue Officer for Credentials

4. Login to RFTS, download Spreadsheet

Parallel Test - List of Customers

5. Complete Spreadsheet

PROVIDER NAME:	GreatSoftware				
EMPLOYER DETAILS:	Complete one line for each employer whose data is to be used in the Parallel Testing. The first three lines are examples and cannot be edited.				
	Where the employer's data will be submitted by an agent, include the agent details as shown in the examples. Please note that the agent must be				
Employer Name	Employer Reg	Approx. No. of Employees	Payment Frequency	Agent Name (if applicable)	Agent TAIN (if applicable)
J. Bloggs Ltd.	1234567	125	Weekly		
Acme Ltd.	7654321	200	Fortnightly	XYZ Payroll	9876543
ABC Ltd.	3456789	65	Monthly	XYZ Payroll	9876543

Parallel Test - List of Customers

6. Login to RFTS, Reply to Message, Attach Spreadsheet
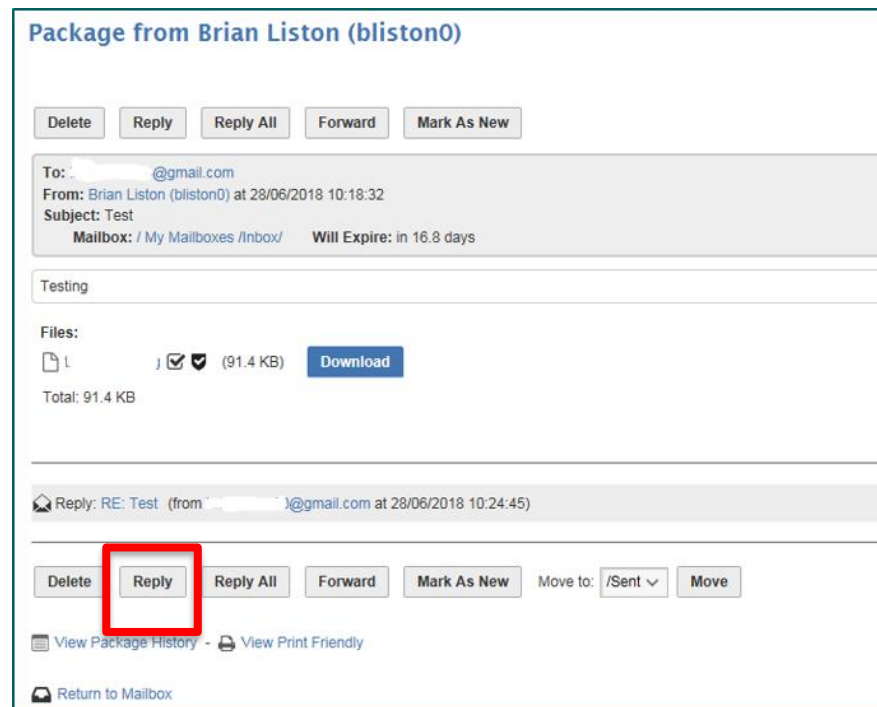
7. Confirmation Response from Revenue Officer

Error Messages

Why change error messages?

- Issues :
    - Different responses across different error types
        - Schema Errors, Bad Requests, Server faults
    - Inconsistencies across REST and SOAP response
    - HTTP response code Vs. Error response message

- Proposed Resolution
    - Consistent approach across error types
        - Generic Fault message
    - Consistent approach for REST and SOAP
        - Same information provided across message types
    - Aligning use of HTTP responses to best practice

Schema errors – SOAP/XML

Now	Proposed
Http Code – 400	Http Code 400

`<?xml version="1.0" encoding="UTF-8"?><env:Fault xmlns:env="http://www.w3.org/2003/05/soap-envelope">`
`<env:Code>`
`<env:Value>env:Sender</env:Value>`
`</env:Code>`
`<env:Reason>`
`<env:Text xml:lang="en">Validation error</env:Text>`
`</env:Reason>`
`<env:Detail>`
`<spring-ws:ValidationError xmlns:spring-ws="http://springframework.org/spring-ws">cvc-complex-type.2.4.a: Invalid content was found starting with element 'pay:Header'. One of '{"http://www.ros.ie/schemas/paye-employers/v1/payroll/":SubmissionID}' is expected.</spring-ws:ValidationError>`
`</env:Detail>`
`</env:Fault>`
	`<?xml version="1.0" encoding="UTF-8"?><env:Fault xmlns:env="http://www.w3.org/2003/05/soap-envelope">`
	`<env:Code>`
	`<env:Value>env:Sender</env:Value>`
	`</env:Code>`
	`<env:Reason>`
	`<env:Text xml:lang="en">Schema Error</env:Text>`
	`</env:Reason>`
	`<env:Detail>`
	`<ApplicationFaultDetails>`
	`<ValidationErrors>`
	`<Error>`
	`<description>cvc-complex-type.2.4.a: Invalid content was found starting with element 'pay:Header'. One of '{"http://www.ros.ie/schemas/paye-employers/v1/payroll/":SubmissionID}' is expected.</description>`
	`<code>N/A</code>`
	`<path>N/A</path>`
	`</Error>`
	`</ValidationErrors>`
	`</ApplicationFaultDetails>`
	`</env:Detail>`
	`</env:Fault>`

Schema errors – REST/JSON

Now	Proposed
Http Code 400	Http Code 400
| ```json
{
  "employerRegistrationNumber" : "N/A",
  "agentTain" : "N/A",
  "taxYear" : "N/A",
  "acknowledgementStatus" : "N/A",
  "submissionID" : "N/A",
  "validationErrors" : [ {
    "description" : "The value null for property
payslips[0].employeeID.employeePpsn is not valid because may not be null.",
    "code" : "N/A",
    "path" : "N/A"
  } ]
}
``` | ```json
{
  "validationErrors" : [ {
  "description" : "The value null for property
payslips[0].employeeID.employeePpsn is not valid because may not be null.",
    "code" : "N/A",
    "path" : "N/A"
  } ]
}
``` |

Bad Requests – SOAP/XML

Now	Proposed
Http Code – 200	**Http Code 400**
`<?xml version="1.0" encoding="UTF-8"?><ns2:PayrollSubmissionResponse xmlns:ns2="http://www.ros.ie/schemas/paye-employers/v1/payroll/">` `<ns2:AcknowledgementStatus>REJECTED</ns2:AcknowledgementStatus>` `<ns2:ValidationError>` `<ns2:Code>2001</ns2:Code>` `<ns2:Path>SubmissionID</ns2:Path>` `<ns2:Description>Duplicate submission across Submission ID, Batch Index (if applicable) and Employer Registration Number.</ns2:Description>` `</ns2:ValidationError>` `</ns2:PayrollSubmissionResponse>`	`<?xml version="1.0" encoding="UTF-8"?><env:Fault xmlns:env="http://www.w3.org/2003/05/soap-envelope">` `<env:Code>` `<env:Value>env:Sender</env:Value>` `</env:Code>` `<env:Reason>` `<env:Text xml:lang="en">Validation Error</env:Text>` `</env:Reason>` `<env:Detail>` `<ApplicationFaultDetails>` `<ValidationErrors>` `<Error>` `<description>Duplicate submission across Submission ID, Batch Index (if applicable) and Employer Registration Number.</description>` `<code>2001</code>` `<path>SubmissionID</path>` `</Error>` `</ValidationErrors>` `</ApplicationFaultDetails>` `</env:Detail>` `</env:Fault>`

Bad Requests – REST/JSON

Now	Proposed
Http Code 4xx	Http Code 4xx

Now — Http Code 4xx

```
{
  "employerRegistrationNumber" : "8000384SH",
  "agentTain" : "N/A",
  "taxYear" : "2018",
  "acknowledgementStatus" : "REJECTED",
  "submissionID" : "sub38",
  "validationErrors" : [ {
    "description" : "Duplicate submission across Submission ID, Batch Index
(if applicable) and Employer Registration Number.",
    "code" : "2001",
    "path" : "SubmissionID"
  } ]
}
```

Proposed — Http Code 4xx

```
{
   "validationErrors" : [ {
   "description" : "Duplicate submission across Submission ID, Batch Index (if
applicable) and Employer Registration Number.",
   "code" : "2001",
   "path" : "SubmissionID"
  } ]
}
```

Server faults – SOAP XML

Now	Proposed
Http Code 500	Http Code 500

`<?xml version="1.0" encoding="UTF-8"?><env:Fault xmlns:env="http://www.w3.org/2003/05/soap-envelope">`
`<env:Code>`
`<env:Value>env:Receiver</env:Value>`
`</env:Code>`
`<env:Reason>`
`<env:Text xml:lang="en">There was an internal error while calling the service</env:Text>`
`</env:Reason>`
`<env:Detail>`
`<code>-1</code>`
`<path>N/A</path>`
`</env:Detail>`
`</env:Fault>`
	`<?xml version="1.0" encoding="UTF-8"?><env:Fault xmlns:env="http://www.w3.org/2003/05/soap-envelope">`
	`<env:Code>`
	`<env:Value>env:Receiver</env:Value>`
	`</env:Code>`
	`<env:Reason>`
	`<env:Text xml:lang="en">Server Fault</env:Text>`
	`</env:Reason>`
	`<env:Detail>`
	`<ApplicationFaultDetails>`
	`<ValidationErrors>`
	`<Error>`
	`<description>There was an internal error while calling the service</description>`
	`<code>N/A</code>`
	`<path>N/A</path>`
	`</Error>`
	`</ValidationErrors>`
	`</ApplicationFaultDetails>`
	`</env:Detail>`
	`</env:Fault>`

Server faults – REST JSON

Now	Proposed
Http Code 500	Http Code 500
| ```json
{
 "employerRegistrationNumber" : "N/A",
 "agentTain" : "N/A",
 "taxYear" : "N/A",
 "acknowledgementStatus" : "N/A",
 "submissionID" : "N/A",
 "validationErrors" : [ {
  "description" : "There was an internal error while calling the service",
  "code" : "N/A",
  "path" : N/A
 } ]
}
``` | ```json
{
  "validationErrors" : [ {
   "description" : "There was an internal error while calling the service",
   "code" : "null",
   "path" : "N/A"
  } ]
}
``` |

Known Error List

Known Errors

Issue Reference	Protocol	Service	Category	Summary	Resolution	Scheduled Fix	Comment
1848	SOAP	Payroll	Permissions	Known Issue - Acknowledgement received for PayrollSubmissionRequest for subcert with read permissions in SOAP.		RC0.11	**TO BE RESOLVED**
2087	REST & SOAP	RPN		For a Lookup RPN, USC Rate Bands are incorrectly returned instead of USC Rate Cut Off Points.		RC0.11	**TO BE RESOLVED**
1991	SOAP & REST	RPN	Business Validation	"RangeParameters selected are outside the range of RPN available. (Code: 3001)" This rule has not been implemented.		RC0.11	**TO BE RESOLVED**
1855	SOAP & REST	RPN & Payroll	Permissions	If a Create New RPN or Payroll Submission request is made using a Test Subcert with no write permissions, a 500 error is returned. *Unexpected HTTP code returned*		RC0.11	**TO BE RESOLVED**

Known Errors

Issue Reference	Protocol	Service	Category	Summary	Resolution	Scheduled Fix	Comment
2535	REST & SOAP	Payroll	Business Validation	Address field in a payslip is not validated as expected. (Validation code: 2012) Either the County (for Irish addresses) or CountryCode (for non-Irish addresses) is mandatory for Address. Currently validation error is thrown when either of the field is left optional and that is not the expected behaviour.		RC0.11	**TO BE RESOLVED**
2536	REST	RPN & Payroll	N/A	Error Code of '-1' returned for Invalid Signature *-1 is not a documented error code*		RC0.11	**TO BE RESOLVED**
2115	REST & SOAP	RPN		*Issue relating to LookupRPN responses where the are no RPNs to be returned. What is the expected outcome, An empty list or a no element?*		TBC	**TO BE RESOLVED**

P35 2018

Production CAB

- New Production CAB for changes to P35, P30, P45, P46

- 4 Revenue nominees on the Production CAB

- PSDA to nominate 4 members

- Schedule CAB on P35 v14/15 for next week

PSDA Actions

AOB

AOB

- Next Meeting – 1st of August
- Defer meeting 22nd of August to early September