Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

PAYE Modernisation
External Design Workshop

25 January 2017

Overview of the morning

Time	
9.00 – 9.15	Registration/coffee
9.15 – 9.45	Introduction/overview of project
9.45 – 11.00	Breakout session
11.00 – 11.20	Tea/coffee
11.30 – 12.45	Breakout session
12.45 – 1.15	Q&A/feedback

PAYE Modernisation: context

Why modernise PAYE?

Changing nature of:

- Employments
- Payroll
- Information and communications technology
- Expectations

SMART PAYE

Seamless integration into payroll

Minimize employer cost to comply

Abolition of P30s, P45s, P46s, P60, End of Year Returns

Right tax paid on current due dates

Time savings

EMPLOYER

SMART PAYE

EMPLOYEE

Simplified online services

Maximise use of entitlements

Automatic end of year review

Real time accurate data

Transparency

SMART PAYE

Statutory in-year employer return

Making compliance easier

Accurate up to date income details

Reduced customer contacts

Timely targeted interventions

Employer Statistics

- 208,000 employers
- 110,000 employers with ≤ 5 employees
  - **98%** filed through ROS
  - 45% use a software package to file
  - Additional 8% using ROS Offline

Employee Statistics

- 2.5m active employments in 2015 (includes pensions)

- 200,000 employees >1 live employment

- Multiple employments with same employer

Forms Statistics

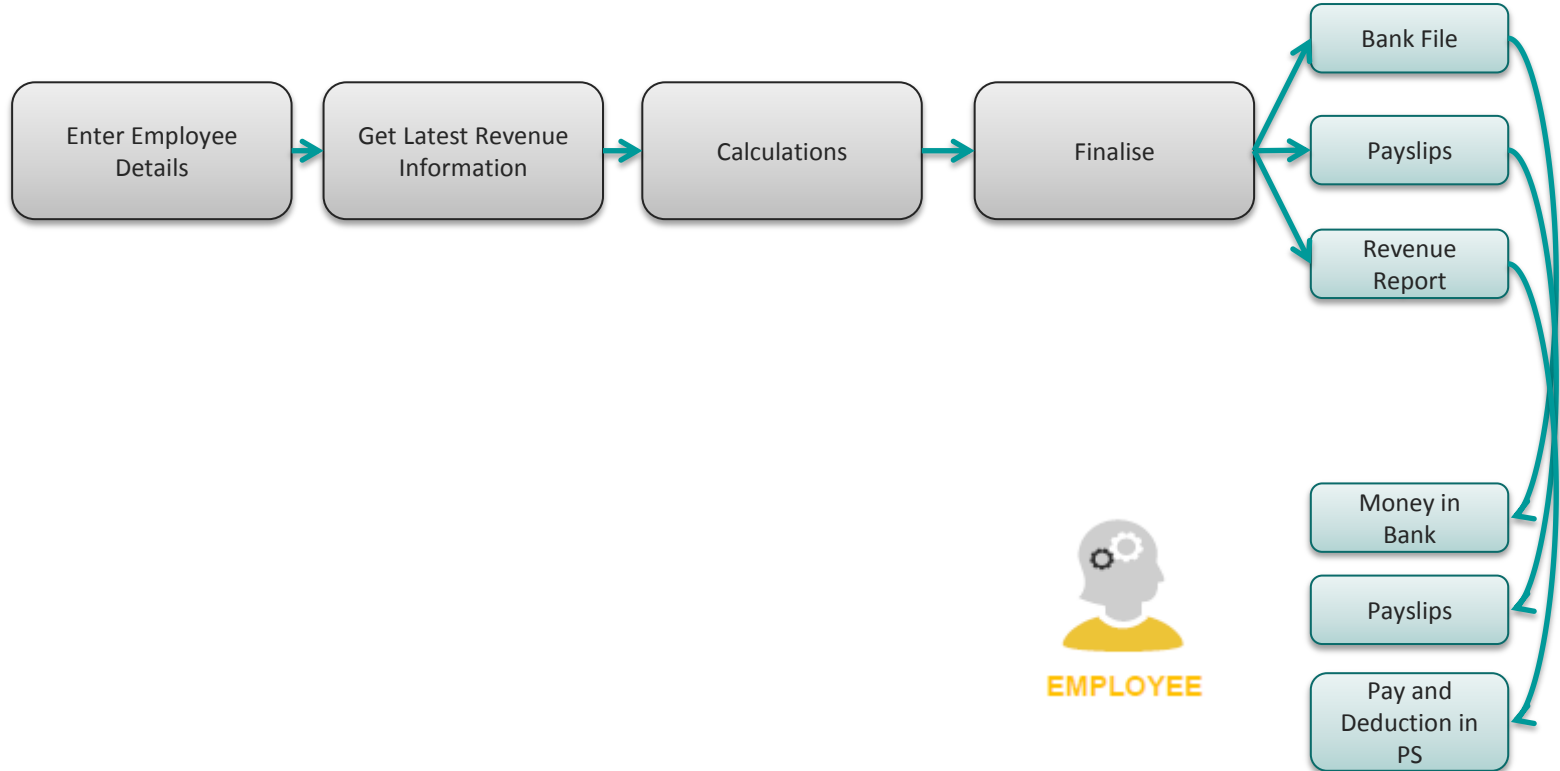| Forms	Number received 2015
P45	705,936
P46	305,241
P30	1.3m
P35	221,620
Total	2.6m

- 5m forms generated to fulfil employer PREM reporting obligations (including 2.5m P60s)
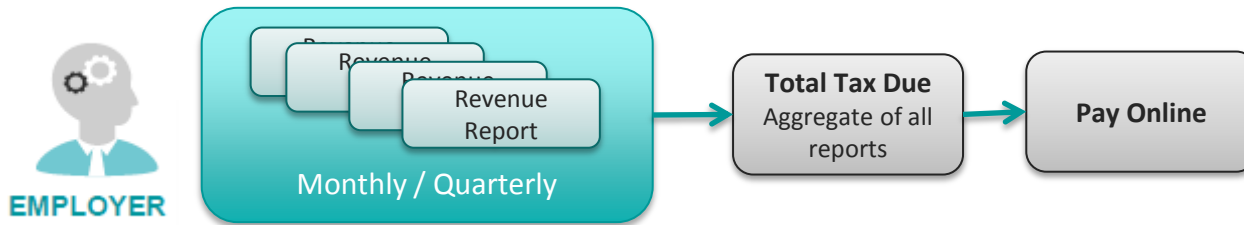
Jobs and Pensions service

Jobs and Pensions	Number
No. of jobs and pensions added since September	54,424
New customers (Form 12A)	29,516
Existing customers	24,908

High Level Design and Process Flows

Seamless integration of reporting into the payroll process

EMPLOYER

Enter Employee Details → Get Latest Revenue Information → Calculations → Finalise →

Bank File

Payslips

Revenue Report

EMPLOYEE

Money in Bank
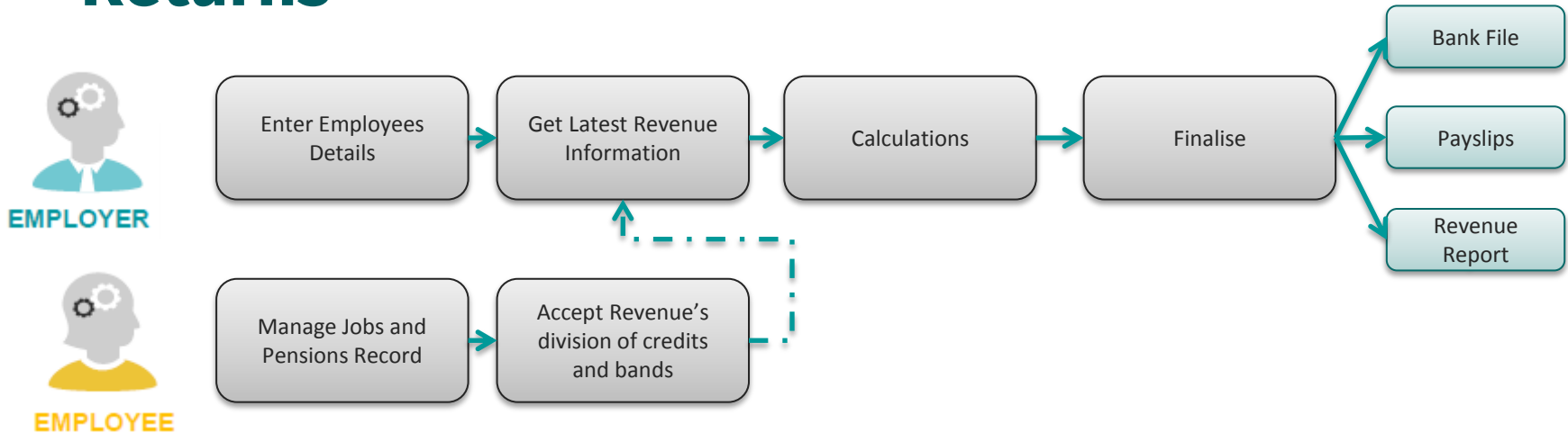
Payslips

Pay and Deduction in PS

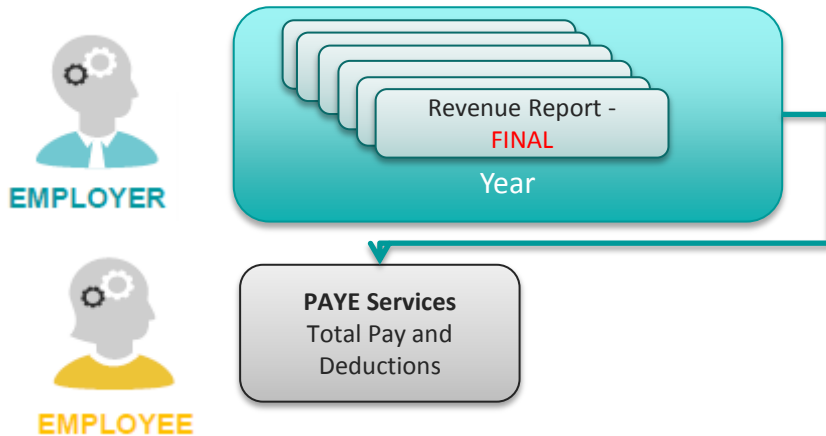# Abolition of P30s, P45s, P46s, P60, End of Year Returns

- P30
  - Total tax due calculated from aggregate of all reports in the month / quarter.
  - Employer payment made in line with current payment dates.
  - Debt management for underpayments in year.
  - Non filer interventions for non reporting in year.
  - In year interventions based on risk analysis of reporting.

Abolition of P30s, P45s, P46s, P60, End of Year Returns

EMPLOYER

EMPLOYEE

```
Enter Employees Details → Get Latest Revenue Information → Calculations → Finalise → Bank File
                                                                                    → Payslips
                                                                                    → Revenue Report

Manage Jobs and Pensions Record → Accept Revenue's division of credits and bands
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- P45 and P46s
  - Replaced by employee use of Jobs and Pensions and PAYE Services
  - Employer reporting on payroll event based on emergency tax rules if reallocation has not occurred before payroll run.

Abolition of P30s, P45s, P46s, P60, End of Year Returns

EMPLOYER

Revenue Report - **FINAL** Year

EMPLOYEE

PAYE Services Total Pay and Deductions

- P60s
  - During the year employee can view up to date pay and deductions on PAYE Services
  - Once final report for year processed employee can see final pay and deductions for that employment on PAYE Services

Abolition of P30s, P45s, P46s, P60, End of Year Returns
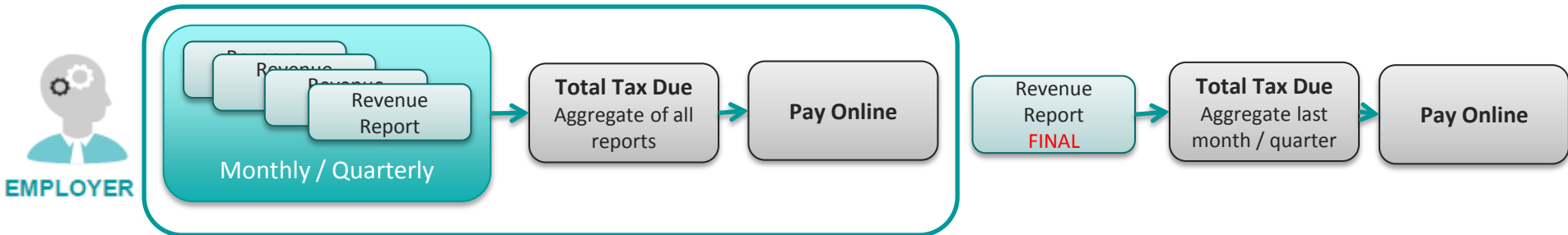
- End of Year Returns
  - Final payroll run for the year marked by employer.
  - Total tax due calculated based on final report plus previous month / quarter.
  - Debt management for underpayments.
  - Non filer interventions for non reporting of final report.

High level plan

Project roadmap timeline (2017–2018)

2017 | **2018**

J F M A M J J A S O N D J F M A M J J A S O N D

Employer
- Submission and Rates
- Returns and Payments
- Core PREM
- Core Compliance
- Online Statement of Account
- Online Instalment Arrangement

Employee
- PAYE Services Phase2
- PAYE Services Phase3
- Jobs and Pensions Phase 2
- Core PAYE

Enabling
- ROS 2020 Phase 1
- Data Alignment Phase 1
- Data Alignment and Cleanse Phase 2
- Single Calculation Engine
- PAYE M&E

Architecture
- Submission Architecture and Storage
- Core Compliance Architecture
- Core PAYE Architecture
- Records and Data Management

Legend:
- Analysis
- PID
- Build and Test
- Live

Schema

Public Test

2017

	J	F	M	A	M	J

Design Input

Consultation Review and Report

Revenue Design Workshops

Stakeholder Design Workshops

Foundation Work

ROS 2020 P1

Data Alignment P1

Submission and Rates

Jobs and Pensions P2

Returns and Payments

Core PAYE

Data Alignment P2

Architecture

Submission Architecture and Storage — Proof of Concept — Evaluation and Decision

Core Compliance Architecture — Proof of Concept — Evaluation and Decision

Core PAYE Architecture — Proof of Concept — Evaluation and Decision

Procurement

Legislation

Current TCA

Current PAYE Regulations

Current USC Regulations

Draft new TCA, PAYE regulations and USC regulations

Schema

Workshops

Purpose of workshops

- Gain insight into customers' business processes
- Gain greater knowledge of current pain points
- Identify and resolve any potential design issues from the outset
- Provide transparency to the design process for all
- Gain buy-in
- Optimise design, implementation and success of the programme by learning from your expertise

Workshop schedule & topics

Time	9.45	10.20	11.30	12.05
Group 1	Technical Architecture (Conor McDonough)	Employer submission (Brid Reddan)	Corrections (Sinead Sweeney)	Dual/Casual employments (Michelle Carroll)
Group 2	Dual/Casual employments (Michelle Carroll)	Technical Architecture (Conor McDonough)	Employer submission (Brid Reddan)	Corrections (Sinead Sweeney)
Group 3	Corrections (Sinead Sweeney)	Dual/Casual employments (Michelle Carroll)	Technical Architecture (Conor McDonough)	Employer submission (Brid Reddan)
Group 4	Employer submission (Brid Reddan)	Corrections (Sinead Sweeney)	Dual/Casual employments (Michelle Carroll)	Technical Architecture (Conor McDonough)

Next Steps

Next Steps

- Circulate summary of discussions
- Further feedback: payemodernisation@revenue.ie
- Design workshops with other stakeholders
- More detailed PSDA workshop w/c 20 March
- Please complete feedback form
- Any questions?