PSDA Summary Findings
3rd April 2017
Agenda

• 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

• Ambiguity around ‘pay date’ – legislation will need to define pay date. **Follow up required.**
• Two more categories to be added to pay frequency –
  – twice monthly
  – week based month
• Standard Rate Band does not take into account possible additional Rate Bands that could be introduced in a future budget.
• **Standard Rate this Period** should be renamed to indicate it is the amount the employee had available to use in this period.
• Definition of gross pay needed – at present, it has multiple meanings across payroll software providers. It needs to be a clear term for employees also.
• Pay for PAYE – What should the value be if an individual is exempt or has an exclusion order?
Submission Data

• If there is no PPSN available – Employment Unique Identifier (EUI) to be used.
• Should a new EUI be used for re-commenced employments or for each time a casual employee re-commences work? **No. New EUI only if the employment was ceased.**
• No PPSN – EUI may be purged from some software systems at the end of the year where the employee leaves.
• Asked to consider that an individual may have multiple pension identifiers.
• It was stated that CSO has a lot of EHECS (Earnings Hours and Employment Costs) requirements, which cannot all be covered by payroll.
• ‘Temporary’ category removed - marginal rate to be considered.
• Cut-off points for USC not being included.
• Can ‘insurable weeks’ be a negative amount? **To be considered**
• Director Field required to identify different types of director.
Submission Data

• Temporary basis is considered irrelevant in new system.
• Medical insurance paid by employer – Software currently only aware of the amount if they are subject to tax – should this include a notional pay amount? To be considered
• Taxable benefits field to include everything, including the amount of BIK medical insurance.
• Number of Earning Periods covered by Payments: can there be a mixture of quarterly and monthly in one payroll?
• There is uncertainty around the ‘final payroll indicator’ field –
  – We should consider different pay frequencies, as weekly paid may be finalised before monthly etc.
  – It can be difficult to know when the final payroll has been run
  – One suggestion is to finalise after the tax year has ended – i.e. once a date in January is submitted, this is considered a new pay year – Revenue knows that the previous year had ended and can produce the P60 equivalent.
Concepts for commencing and ceasing employments
Commencing and Ceasing

• Pay frequency to be updated in line with data submission
• Pension tracing number not stored – this number may not be known when commencing employment.
• Foreign tax credit and SARP indicator not requested at present – payroll may not know the information when setting up the employment. If requested, an application is initiated. An idea would be to ask if the employee works outside the state – If yes, the SARP/Foreign tax credit questions could be asked then.
• HR data classified as the following:
  – Any CSO data
  – Employment type
  – Foreign tax credit
• Start date may change and payroll submission could have a different date. Will this create an error, or can rules be made to prevent duplication? **To be considered**
Error Reporting/Response Messages
Error Reporting

• All scenarios of errors where the submission will be rejected were generally accepted by the group.
• Errors will need to be coded and published on revenue.ie – allowing for the software to parse the error and provide its own error to the payroll operators.
• There were concerns over Revenue rejecting a line item where PPSN not supplied after the specified max amount of submissions. It was suggested that we accept the data and send a report back to alert the employer to follow up regarding the PPSN.
P2C Format
P2C Format

• Major concerns over the ‘other income liable to PRSI’ field and whether this would be covered by Data Protection. How will this income be taxed? This field was thought liable to cause confusion.
• PRSI Exemption – need to clarify if income is PRSI exempt or if the individual is exempt from PRSI.
• Tax basis – remove emergency tax (not relevant on P2C)
• Date certificate begins - move to nearer the Tax year field.
• Bands should always be rounded up in employees’ favour.
• Yearly Standard Rate Band to be renamed Yearly Standard Rate Cut-Off Point.
• USC status – no need to include it (it is relevant on TCC, not P2C)
Next Steps
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• Summary of discussions to be circulated
• Further feedback via payemodernisation@revenue.ie or PSDA Chairman
• More PSDA workshops planned and Revenue will clarify the points and issues raised following due consideration and involvement from other stakeholders
• Design workshops scheduled with other stakeholders, including Insurance Association, Irish Institute of Taxation, Employers and Employees
• Ongoing engagement between Revenue and DSP working through impacts and opportunities of PAYE Modernisation, including taxation of benefits and PRSI reporting and collection.