

# PSDA Summary Findings

7<sup>th</sup> December 2017

# Agenda

- PSDA Scenario Walkthrough
- Upload/Download via ROS
- RPN for new employees
- Testing Update
- AOB

# Payroll Scenarios

# Scenario 1

- The correct procedure to be followed in cases where an employee leaves and returns the following year was clarified. In response to a query, Revenue's preference is to re-use the old employment ID if in a new year. If in the same year, a new EID must be used.
- GDPR – Can employer give details of employees to new employers under GDPR?

## Scenario 2

- It was confirmed that the RPN Number will go back to 1 at the beginning of the year.

## Scenario 3

- Shadow Payroll but electing to pay PRSI in Ireland – The Shadow Payroll should be set to 'True'. As all PRSI related fields will be populated and other financial fields set to '0', attendees felt that when polling for an RPN, the RPN will override the exemption for tax etc. in exclusion order cases.
- Revenue will review this.

## Scenario 4

- PRSI multiple classes (class A1 and class M). Examples for each type of file (JSON/XML) were requested.

# Scenario 5

- A leaver overpaid in their last payroll run with an employer. There was an in-depth discussion around this subject. Employers do different things. At the moment, there are overwrite scenarios.
- What would happen with the RPN if the employee is gone?
- If they can change the original should it be a correction?
- Should employer recalculate PRSI?
- It was acknowledged that there is a difference between theory and practice.
- One of the challenges was noted as being to get through negative insurable weeks.
- Revenue will review this.



# Scenario 7

- PRSI Category correction.
- There was discussion about Scope – would there be Scope decisions also?
- If Scope decision to change it, you do the same thing. A1 and M in one payroll – you should be returning two different classes. From Gross to Net calculation is the only obligation for employers. There are two tech solutions available 1. Minuses and 2. Deletion and re-submission.
- Is ‘delete and re-submission’ are now disallowed?
- No, it will be technically possible to delete submissions, but this may allow existing bad practices in PAYE to continue. Revenue will consider their concerns.

## Scenario 8

- Additional payroll submission made to Revenue to record an underpayment for a senior staff member.
- Revenue will provide another example.

# Scenario 9

- Supplementary runs.
- Do we need PRSI sub-classes?
- Yes, employer contributions could change within the classes.

# Scenario 10

- Mid-year leavers actually paid at week 52.
- Where do employers record an employer leaving if no P45?
- Include adjustment in submission to Revenue. You should make a correction in the negative.
- Should the payroll adjust the figures?
- There is a 'minus' facility to reduce employer liability. Now on a receipts basis.
- Is Revenue allowing deletions?
- Revenue has allowed for payroll submission deletions – however the legislation needs to be verified relation to recouping money from employees. Revenue will review and revert.

# Scenario 11

- Entire payroll is incorrect.
- Desirable solution is to replace original payslips with new ones (456 replacing 123 for example). Previous line item ID should be included to link the corrected line items back to the original.

## Scenario 12

- Thought that employee left company.
- Submission made with cease date.
- Subsequently discovered an error.
- An additional payroll submission must be made with the original payroll run reference.
- The payslip is the same, but without a date of cessation.
- Revenue will review.

## Scenario 15

- Correction for previous period (incorrect cease date).
- In this scenario, there should be two submissions – delete original cessation date with first submission; updated cessation date should be sent with subsequent submission reporting the payment.
- It was confirmed that it can all be in the same submission, just necessary to remove the cessation date and correct it.
- Will Revenue ever reject a payment for a ceased employment? **No.**

# Scenario 19

- Multiple pay dates in the same period.
- Revenue clarified that pay dates cannot straddle two tax years due to differing tax years in the header and possible budget changes.



## Scenario 20

- Is it possible to make different submissions if people being paid on different dates?
- Yes, but there must have different payroll ID's

# Action Point

- Revenue needs to ensure that employers are meeting their legislative obligations when making corrections.
- A representative will discuss with RLS.

# Pension Provider Scenarios

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- Important date from Revenue perspective is the payment date in this situation.
- When first payment is being made, a new RPN should be requested.
- This will register the employment and assign any available credits/rate band to that employment/pension.

# Casual Employees

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- Will Revenue still keep employees on their system?
- Yes (we are different to the UK in that regard).

# Commencements via J&P v Submission

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- Can the start date input in J&P be overwritten by the employer as per submission?
- There will be rules written in.



# Employer Reconciliation of Totals

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- How will reconciliation happen in future as it's all done through ROS at present?
- The customer using the Payroll Software can reconcile the ROS values with their software's running totals by month by searching using their Employer number.
- The employer can query by return period (i.e. Jan 2019) and will receive in response the list of payroll run references that were used to determine the breakdown of taxes for that return period.
- The employer can also query by Payroll Run Reference and will receive a breakdown of taxes for that payroll run and a list of active payslips for that payroll run and their financial fields.

# System Restore and Data Re-Sync

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- Revenue will only give out the active RPN.

# **“Old” Data Used For Submission**

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- Uniqueness of values will prevent duplicate submissions.
- Tax year in the header is the only differentiating factor if a submission is identical across the years.
- The Run Reference is unique to the Tax Year.
- Line Item ID's should be unique within the Run reference.

# Upload/Download via ROS

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- Slides were presented showing the screen flows.
- In regards to the ROS reporting system, responses will be in XML/JSON for those using software and these responses can be fed directly in to the payroll software. For employers not using payroll software (Excel, pen & paper) CSV responses will be sent.
- There can be positive and negative responses in the files.
- How long will the responses will be there for?
- That will be dependant on the format used.
- Revenue advised that the ROS upload/download functionality will be made available for PIT in March.



# RPN For New Employees & Start Date

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- Revenue confirmed that there would not be real data in the testing environment.
- Revenue will provide the equivalent, including various levels of credits/cut-off points.
- Will there a limit on volume? **No.**

**AOB**

# AOB

- A scenario was considered where employee is overpaid in error.
- An issue was raised regarding the use of negative figures in financial fields in a subsequent submission, where the employer is reporting the recoupment of the overpaid wages from the employee.
- These minus figures are required in order to reconcile employer totals and reflect the money changing hands on a receipts basis.
- There was concern that processing negative values through payroll in March for an overpayment that occurred in January is not the same as reporting those minus values in January and may cause issues for payroll operators.

# AOB

- It was pointed out that PRSI must represent reality and is calculated on actual amount of wages received in the week.
- Revenue will not check to see if all employees under a said employer have been included in a payroll run in any given time. If there are no submissions from an employer in any given month, Revenue will then issue a nil statement for that period.
- A member of PSDA queried the possibility of a Pilot scheme, to be developed by Revenue to last 12 months. With this employers and developers can see the entire life-cycle of PAYE Modernisation in operation before the 'go-live' date.
- Revenue will bring it to the governance fora.

**Next meeting – 18<sup>th</sup> December 2017**