

PSDA Summary Findings

18th December 2017

Agenda

- PSDA Scenario Walkthrough
- RPN for new employees
- Proposed Schema Change
- AOB

Overpayments

Overpayments recouped in year in which it occurred

- The employer should recoup the overpayment from gross salary over the balance of the year (recouped while still in employment over different weeks).
- Do you have to do it that way?
- No, you can do it in one go.
- What would happen with PRSI in this instance?
- By recouping the gross from the gross both the tax and the PRSI will be correctly collected.
- PSDA pointed out that it will be necessary to educate employers about the correct way to recoup pay where an employee is overpaid.

Overpayments recouped in year when employee has left

- When employee refunds the money in the year but after the employee has left employment, **negative pay** must be reported. Employer should not request an RPN. The employment ID used should be the last payroll submission. The recoupment should be reported at the time the money is handed back.
- How is the 'pay' recorded if the employee was overpaid over several weeks or months (as this is usually a manual exercise by Payroll)?
- Revenue can accept the RPN which operated in the last week the employee was paid.
- It was stated that people need to operate correctly.
- In 'out of year' scenarios it has to be operated Gross from Net.

Overpayments recouped in year when employee has left

- PSDA asked if this would create an Audit issue?
- It is not always possible to reconcile the PAYE and employer accounts. There will be other evidence e.g. bank statements.
- It was acknowledged by the PSDA that recouping overpayments is very difficult once an employee has left and it may not ever be recouped.

Overpayment of pension/death cases

- In scenarios where an employee (pensioner) dies in 2019, but the pension continues to be paid into 2020, the pension provider should report a negative of what was overpaid by them.
- The net amount can be recovered in deceased cases.

RPN For New Employees

RPN For New Employees

- Revenue asked if providing a start date for new employees would be an issue for the attendees?
- The consensus was that it would be fine if it was not mandatory

Proposed Schema Change

Proposed Schema Change

- Schema Date Format – This will change from dd/MM/yyyy to ISO format (yyyy-MM-dd)
- PRSI Exemption Reason – Another category ‘other’ will be added.

Governance Meeting

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- PSDA has written formally to Revenue requesting a Pilot study for PAYE Modernisation. Some of their members are in favour of a Pilot. Examples from HMRC were discussed.
- A representative will make a formal reply on behalf of Revenue.
- The issue of running two payroll systems was mentioned as negative. PSDA pointed out that we could encounter IT and Customer Service issues in December 2018/January 2019. Is there a Plan B?
- Revenue is working through contingency options. The importance of getting PIT up and running was emphasised.

AOB

AOB

- Main issues in 2018 will be the Manual Screens, Testing, Performance Testing and Registration.
- Meetings will be held every three weeks.
- PSDA stressed the importance of the need for certainty going forward.
- When will a decision be known about the pilot?
- Decision should be known about the pilot in January.
- Revenue has already started developing test environments for PIT. Digital certs will be required.
- Test Dummy data will be available and a Help Desk will be set up.

AOB

- Concern was expressed by the PSDA that the first time real data is submitted will be in January 2019 and not before.
- Due to GDPR, Revenue cannot send out real P2C's or RPN's. Production will go live in November 2018 and the system will be turned on 1st January 2019.
- Positive feedback from stakeholders was reported by Revenue. Most happy that real time reporting will be of benefit even though the P35 end of year tidy up will no longer be an option.

Next meeting – 25th January 2018