PAYE Modernisation
Service User Group
12th March 2020
Agenda

- Live Update
- PIT Update
- USC Update
- Data Integrity Project Update
- Critical Illness Cover Reporting
- Correction Examples
- 2019 Lessons Learned Update
- Actions
- AOB
Live Update (as at 11/03/20)

- Total Submissions to date - > 7,680,300
- Total Submissions 2020 - > 1,420,200
  - Direct Payroll Reporting 87%
  - ROS Payroll Reporting 1%
  - ROS Manual Input 12%
- Submitting Employers to date - > 186,600
- Submitting Employers 2020 - > 164,100

- Submitting Employers for February - > 96,200
Breakdown of line items received via ROS

- Total payslips received: 105,990,100
  - Received via OPA – 1%
  - Number received via payroll software – 99%

- Total Correction Count: 1,975,300
  - OPA Correction Count – 7%
  - Payroll Software correction count: 1,699,000
    - 93%
Breakdown of Submitting Employers via ROS

• Total Submitting Employers: 186,600
  – Number submitting via OPA – 21%
  – Number submitting via OPA without software – 20%
  – Number submitting via payroll software – 92%

• Please note, if an employer ever submitted via OPA then they are included in the first two counts above. Therefore, there is double counting in these figures and submitting via OPA may not be the customer’s BAU activity.
Employment Detail Summary

• Total Number of Employment Detail Summary documents generated -> 251,600
PIT Activity

- Open tickets -> 6
- Closed tickets -> 1811
- Users -> 292
- Companies -> 123

- Downtime has been experienced in the PIT3 environment due to an unexpected impact of non-PMOD activity. PIT services will be expanded to other Revenue customers in the coming months. Disruption to PMOD services will be minimised and downtime will be notified in advance.
USC Update
USC Update

• USC changes are scheduled to be made on Saturday and Sunday 14\textsuperscript{th} and 15\textsuperscript{th} of March.
• RPNs with updated USC will be available to Employers after the release is finished.
• Downtime to accommodate the release is estimated to commence at 10:00pm on Saturday 14\textsuperscript{th} of March. Service is estimated to resume at 3:00pm on Sunday 15\textsuperscript{th} of March. A 500 error will be returned to employers trying to access the services during this time.
• Employer Notice will be issue via ROS to inform employers
• ROS and myAccount will display banners to notify users during downtime.
Data Integrity Project Update
Data Integrity Project Update

• Verbal update will be provided
Critical Illness Cover Reporting
Critical Illness Cover Reporting

• The contributions are liable to Income Tax, USC and PRSI. So they should also be included in Gross Pay

• The benefit is paid by a lump sum payment.
  – The lump sum is not taxable if the contributions are made by the employee.
  – The lump sum is taxable if the contributions are made by the employer.
Correction Examples
Payroll Calculated and Report in wrong year

• Payment made on 2/1/2020 but payroll operator ran as final week of 2019, calculated with 2019 RPN giving a refund and reported with a pay date of 2019
Original Submission

• Pay for income tax was €150
• Based on use of 2019 RPN a tax refund was calculated of €50
• Employee for €200 net.
• Employer needs to delete this line item and submit for 2020
New Submission

```json
{
  "payslips": [
    {
      "lineItemID": "LineItem-XYZ-1",
      "employeeID": {
        "employeePpsn": "01074096Q",
        "employmentID": "1"
      },
      "name": {
        "firstName": "Sara",
        "familyName": "Tester"
      },
      "payFrequency": "WEEKLY",
      "numberOfPayPeriods": 52,
      "rpnNumber": "1",
      "payDate": "2020-01-02",
      "grossPay": 220.00,
      "payForIncomeTax": 220.00,
      "incomeTaxPaid": 20.00,
    }
  ],
  "lineItemIDsToDelete": []
}
```

- Calculation needs to be net to gross based on €200 received by employee
- Calculation performed using 2020 RPN
Notional Pay Underreported in 2019

- On review of benefits received in 2019 it is discovered that there is an extra €100 of notional pay that was not included in final payroll of 2019. Based on regulation 12a this must be corrected in 2019.
Original Submission

- Pay for income tax was €2500
- Taxable benefits was €200
- Pay Date 29/12/2019

```json
{
    "payslips": [
        {
            "lineItemID": "LineItem-XYZ-1",
            "employeeID": {
                "employeePpsn": "01074096Q",
                "employmentID": "1"
            },
            "name": {
                "firstName": "Sara",
                "familyName": "Tester"
            },
            "payFrequency": "WEEKLY",
            "numberOfPayPeriods": 52,
            "rpnNumber": "1",
            "payDate": "2019-12-29",
            "grossPay": 2500.00,
            "payForIncomeTax": 2500.00,
            "incomeTaxPaid": 500.00,
            "taxableBenefits": 200.00,
        }
    ],
    "lineItemIDsToDelete": []
}
```
New Submission

- Original submission amended to include additional €100 added to taxable benefit
- Deductions calculated based on new pay figures
BIK if not recouped from employee before 28/2

- Employee gets the benefit of the tax due on the increased notional pay
- Employer must recoup this from employee and if not done before 28/2 then additional BIK must be report.
- In this scenario the additional BIK is the total deductions calculated on the extra €100 notional pay - €40 IT, €8 USC, €4 EE PRSI
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},
"name": {
"firstName": "Sara",
"familyName": "Tester"
},
"payFrequency": "WEEKLY",
"numberOfPayPeriods": 52,
"rpnNumber": "1",
"payDate": "2019-12-29",
"grossPay": 2400.00,
"payForIncomeTax": 2400.00,
"incomeTaxPaid": 500.00,
"taxableBenefits": 100.00,
},
"lineItemIDsToDelete": []
}
}
```

- Original submission amended to reduce the taxable benefits and pay by €100
- Deductions are not recalculated based on new pay figures
- Employee gets refund from Revenue through Statement of Liability
2019 Lessons Learned Update
## 2019 Lessons Learned Update

<table>
<thead>
<tr>
<th>Action</th>
<th>Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-depth capacity review.</td>
<td>In progress</td>
</tr>
<tr>
<td>Refactor the RPN process to increase performance and promptly alleviate backlog if/when created.</td>
<td>Scheduled for H1 2020</td>
</tr>
<tr>
<td>Refactor the deletion process to cater for larger volumes.</td>
<td>Scheduled for H1 2020</td>
</tr>
<tr>
<td>Create a separate process for handling deletion request from large employers.</td>
<td>Scheduled for H1 2020</td>
</tr>
<tr>
<td>Determine the cause of this delays processing on the large payslip queue and relevant remedial action will be taken.</td>
<td>Further analysis is ongoing.</td>
</tr>
</tbody>
</table>
Actions
## Actions Update

<table>
<thead>
<tr>
<th>Action</th>
<th>Responsibility</th>
<th>Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide hard evidence of performance and the result of enhancements.</td>
<td>Revenue</td>
<td>In progress</td>
</tr>
<tr>
<td>Update online content and employer guide.</td>
<td>Revenue</td>
<td>Draft complete, scheduled for end of March.</td>
</tr>
<tr>
<td>Provide suggestions on how best to drive the behaviour to align pay period.</td>
<td>SUG</td>
<td></td>
</tr>
<tr>
<td>Confirm if a change in surname should generate a new RPN.</td>
<td>Revenue</td>
<td>No, a change in surname does not generate a new RPN.</td>
</tr>
</tbody>
</table>
AOB

• Protocols around Covid-19

• PAYE Modernisation Scenarios (correction examples) – link