

I made a previous submission but feel that new information has come to light that should be considered also.

In my submission I talked about the UK experience.

Please see below an discussion topic issued by Frauke Golding on the 2nd December 2016 on LinkedIn.

Makes for interesting reading when you consider that it has already been introduced in the UK and it is now up and running for all employers there.

It would appear that RTI has solved very little, if anything. Also, like Revenue here, they were trying to sell it as a good thing for employers, but it has turned out to be a bad thing in that employees are no better off. The only certainty is that employers are going to be charged significantly more for day to day book-keeping than they were previously.

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Is HMRC failing with RTI in the UK?

Frauke Golding

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As part of the UK Governments commitment to the reform of the welfare system, they required all employee earnings in real time. It was to enable HMRC to pass earnings data to the DWP and subsequently to help eliminate fraud and error in the benefits system.

But to employers, RTI was hailed by HMRC as a way of reducing costs for the employer.

Unfortunately Employers have actually found the costs have increased because they now have to provide the information within the exceedingly short times scales. i.e. Each month, and prior to the pay payment date.

Also for the employee, after it was introduced from April 2013, with all the last employers being forced in RTI by April 2015, what we have seen is error after error. This is causing employees to either overpay or more worryingly increasingly underpay tax.

Why do so many employees with only PAYE sources of income keep finding they have either overpaid, or underpaid tax? With RTI you would have thought it easy for HMRC to identify multiply sources of income (or even just one source) with the wrong tax code, and to correct them straight away.

I am surprised by the number of individuals now receiving P800 tax calculations for 2015-16 for unpaid or overpaid tax. I had thought that with RTI it should have stopped or certainly reduced. I now feel completely misled. Unfortunately ESC A19 allows HMRC 12 months after the end of the tax year in which they receive your information to make a correction. What this means is HMRC does not have to look at the information provided in a RTI submission during the tax year, and if it is wrong, correct it until the following tax year!

Is this a ploy to try to get every tax payer to set up a personal tax account? Did you know that to receive any overpaid tax straight away, it can only be done via a on line personal tax account?

