

# **PAYE Modernisation**

Service User Group  
12th December 2019

# Agenda

- Live Update
- PIT Update
- End of Year
  - 2020 RPNs
  - Employment Detail Summary
  - Preliminary End of Year Statement
- Gross pay – SAYE and APSS
- Data Integrity Project Update
- Actions
- AOB

# Live Update

## Live Update (as at 12/12/19)

- Total Submissions - > 6,153,194
  - Direct Payroll Reporting 90%
  - ROS Payroll Reporting 1%
  - ROS Manual Input 9%
- Submitting Employers - > 180,169
- Submitting Employers for December - > 101,806

# Breakdown of line items received via ROS

- Total payslips received: 69,484,000
  - Number received via OPA: 807,000 – 1.1%
  - Number received via payroll software: 68,677,000 – 98.9%
- Total Correction Count: 987,800
  - OPA Correction Count: 82,300 – 8.3%
  - Payroll Software correction count: 905,500 – 91.7%

# Issue with 'missing' Submissions

- Technical issues during some of the service outages during 2019 have resulted in completed submissions dropping out of our submission store. This means that if an employer subsequently tries to amend/correct one of these submissions it appears like it was never submitted.
- We are in the process of cleaning up these issues and in any instance where the liability for a period with a 'missing' submission is impacted Revenue will contact the employer.

Payroll Software	Submissions impacted
ODB Payroll	1
EUROPAYX	1
Quantum Software	1
Sage Business Cloud Payroll	1
Payback Payroll	2
Infopay	3
Big Red Book	4
Jefferson Pay	8
Sage Payroll	17
Bright Pay	19
CollSoft	43
Thesaurus Payroll Manager	47
OPA	382

# PIT Update

# PIT Activity

- Open tickets -> 7
- Closed tickets -> 1679
- Users -> 271
- Companies -> 107



**End of Year**

# 2020 RPNs

- 2018 Income Tax Regulations – cannot use a prior year's RPN.
- Employer must request 2020 RPN for all employees for first payment in 2020. If no RPN is available, the employer must operate the emergency basis of income tax and USC.
- The RPN numbers for 2020 RPNs (and each subsequent year) will reset to 1 for 2020 RPNs.
- Where, due to a persistent technology systems failure, an employer is unable to get the most recent RPN for an employee, the employer can deduct tax by reference to the latest RPN available i.e. 2019 RPN.
- Persistent technology systems failure e.g. Revenue systems failure when running payroll or outage to the employer's systems brought about by a significant weather event or other major loss of power.

# Employment Detail Summary

- Employment Detail Summary is a summary of pay, income tax, USC, PRSI, LPT per employment as reported by employer
- Will be available in myAccount – PAYE Services – ‘Review your tax 2016-2019’ from 1 January 2020
- Details will update automatically if any corrections or additional submissions are received from employers in respect of a 2019 payment date in 2020
- Facility will be available for customers to create a PDF and print it

# EDS – full list of fields

- Employment ID
- Start date
- Date of leaving (conditional)
- Gross pay
- Pay for income tax
- Income tax paid
- Taxable benefits
- Pay for USC
- USC paid
- LPT deducted (conditional)
- Employee PRSI paid
- Employer PRSI paid
- PRSI class
- Number of insurable weeks

## Review your tax 2016 - 2019

[← Back to myAccount](#)**2019**

Review type	Description	Status	Action
<b>Statement of Liability</b>	<ul style="list-style-type: none"><li>Review your preliminary Income Tax and USC Calculation for 2019 based on Revenue's records</li><li>Complete your Income Tax Return to:<ul style="list-style-type: none"><li>- Change existing credits/declared income;</li><li>- Declare additional income e.g. rental income; income from casual work;</li><li>- Claim additional credits/reliefs e.g. health expenses;</li><li>- Request your Statement of Liability from Revenue.</li></ul></li></ul>	Available	<a href="#">Request</a>
<b>Employment Detail Summary</b> ⓘ	<ul style="list-style-type: none"><li>View a summary of the pay and tax details reported by your employer(s)/pension provider(s) to Revenue.</li><li>Create a document containing a summary of your pay and tax details.</li></ul>	Available	<a href="#">View</a>

## Employment detail summary

[← Back](#)

### Employment detail summary 2019

**if any of this information is incorrect, please contact your employer / pension provider directly to have it corrected**

You can view each payroll submission by selecting 'View job / pension details'.

You can create a document you can save or print by clicking 'Create document'.

[Create document](#)

#### Your jobs or pensions

##### Revenue (1234567TT)

[View job / pension details](#)

Employment ID	1
Start date	01/01/14

##### Pay, Income Tax, USC, LPT and PRSI details

Gross pay ⓘ	€30,000.00
Pay for Income Tax ⓘ	€30,000.00
Income tax paid	€120.00
Taxable benefits	€120.00
Pay for USC ⓘ	€120.00
USC paid	€120.00
LPT deducted	€120.00
Employee PRSI paid ⓘ	€120.00
Employer PRSI paid ⓘ	€120.00

##### PRSI classes

PRSI class	AO
Number of insurable weeks	20

#### Mary's jobs or pensions

##### Tesco (1234567TT)

[View job / pension details](#)

Employment ID	1
Start date	01/01/14
Date of leaving	05/07/2019

##### Pay, Income Tax, USC, LPT and PRSI details

Gross pay ⓘ	€120.00
Pay for Income Tax ⓘ	€120.00
Income tax paid	€120.00
Taxable benefits	€120.00
Pay for USC ⓘ	€120.00
USC paid	€120.00
LPT deducted	€120.00
Employee PRSI paid ⓘ	€120.00
Employer PRSI paid ⓘ	€120.00

##### PRSI classes

PRSI class	AO
Number of insurable weeks	20



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17 Oct 2019

## Employment Detail Summary 2019

If any of this information is incorrect, please contact your employer / pension provider directly to have it corrected

### Job / pension details

Employer / pension provider name	Sara-er-treutel-treutel
Employer / pension provider no.	
Employment ID	122
Start Date	13/01/2019

### Pay, Income Tax, USC, LPT and PRSI details

Gross pay	€30,000.00
Pay for Income Tax	€30,000.00
Income tax paid	€4,000.00
Taxable benefits	€0.00
Pay for USC	€30,000.00
USC paid	€3,000.00
LPT deducted	€0.00
Employee PRSI paid	€0.00
Employer PRSI paid	€0.00

### PRSI classes

PRSI class	A1
Number of Insurable weeks	0

# Preliminary End of Year Statement

- Preliminary End of Year Statement is a preliminary calculation of your Income Tax and USC based on Revenue's records.
- It will be available in myAccount – PAYE Services – 'Review your tax 2016-2019' from 15 January 2020
- Details will update automatically if any corrections or additional submissions are received from employers in respect of a 2019 payment date in 2020
- To receive your Statement of Liability (P21) you must complete your Income Tax Return



[← Back](#)

## Preliminary End of Year result

This is a preliminary calculation for 2019 based on the information held on Revenue's records at this time.

If you have any additional income to declare e.g. rental income, income from casual work, you should complete your Income Tax Return and declare this income. To go directly to your Income Tax Return, click 'Complete Income Tax Return' at the bottom of the page.

<b>Preliminary result</b>	<b>Overpayment</b>	<b>€200.00</b>
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## What your preliminary result means

### Overpayment

Based on Revenue's records for 2019, you paid more Income Tax or USC than you were due to pay. This means that you are due a refund of €200.00 from Revenue based on current information. To receive any refund due, you should complete your Income Tax Return for 2019.

## Preliminary Income Tax result

[View Income Tax details](#)

To view a breakdown of your taxable income, credits/reliefs and Income Tax due, click 'View Income Tax details'.

Taxable income	€90,000.00
Net tax due	€25,640.00
Less total tax paid	- €25,840.00
<b>Preliminary Income Tax result</b>	<b>Overpayment €200.00</b>

## Preliminary USC result

[View USC details](#)

To view a breakdown of your income chargeable to USC, USC due and USC paid, click 'View USC details'.

Income chargeable to USC	€90,000.00	
USC due	€4,071.55	
Less USC paid	- €4,071.55	
<b>Preliminary USC result</b>	<b>Balanced</b>	<b>€0.00</b>

## How would you like to proceed?

**You should complete your Income Tax Return to:**

- Receive any refund of tax due;
- Change existing credits/declared income;
- Declare additional income e.g. rental income, income from casual work;
- Claim additional credits e.g. health expenses;
- Receive your Statement of Liability

[Complete your Income Tax Return →](#)

If you do not need a Statement of Liability and have no additional income to declare or reliefs and credits to claim you can return to 'Review your taxes' by clicking the 'back' button below.

[← Back](#)

[← Back](#)

## Completing your Income Tax Return

### What do I need to do?

To complete your Income Tax Return and request your End of Year Statement (P21), you need to complete the five sections below.

#### 1 Personal details

Check that your personal details are correct. Add details for you and your spouse or civil partner, if relevant.

#### 2 PAYE Income

Check that the pay and tax details for 2019 for each of your jobs/pensions are correct. This is based on information provided by your employer/pension provider to Revenue. A breakdown of this information is available under 'Employment Detail Summary' in the [Review your tax](#) screen.

#### 3 Non-PAYE Income

Confirm, edit or delete non-PAYE income already on record. Add any additional non-PAYE income not already declared e.g. rental income, nixers.

#### 4 Tax credits and reliefs

Confirm, edit or delete tax credits and reliefs already on record. Add new tax credits or reliefs not already on record.

#### 5 Declaration

Confirm that all the information provided is correct before requesting your End of Year Statement (P21).

### How is my personal data used?

- 1 Revenue collects taxes and duties and implements customs controls.
- 2 Your personal data may be exchanged with other Government Departments and agencies in certain circumstances where this is provided for by law. Details of this policy are also available in hard copy upon request. [View Revenue's data protection policy](#)

Start →

# Employee communications

- TCCs started to issue to all PAYE customers this week and will continue throughout December. This will include a 1-page information leaflet on the Employment Detail Summary and the Preliminary End of Year Statement.
- Radio advertising started yesterday.
- Employer Notice issued on 2<sup>nd</sup> December.

# Radio advertisement

*This is an important notice from Revenue to PAYE taxpayers.*

*Since January last, your employer or pension provider sends Revenue details of your pay, tax and other statutory deductions each time you get paid.*

*This means your employer or pension provider won't be issuing a Form P60 at the end of the year.*

*Instead, Revenue will provide you with an Employment Detail Summary, which replaces the P60. This Summary will be available in myAccount from January next.*

*More information is included with the Tax Credit Certificate for 2020, which Revenue is currently sending to all employees and pension recipients*

# Info with TCC

## **Tax Credit and Universal Social Charge Certificate – 2020\***

Please see overleaf details of your Tax Credits, Rate Bands and the Universal Social Charge (USC) for 2020. This Certificate is based on the most recent information available to Revenue. **Claiming all the tax credits you are due ensures you pay the correct tax and maximises your take home pay/pension so please check that the information overleaf is up to date and accurate.** There is a 4-year time limit on claiming tax refunds, so it is important to claim your entitlements on time.

The quickest and easiest way to manage your tax and claim your entitlements is through **myAccount**. This is a single access point for all Revenue's secure online services for PAYE taxpayers. If you are not already registered, go to [www.revenue.ie/myaccount](http://www.revenue.ie/myaccount) and register now.

## **IMPORTANT INFORMATION**

### **PAYE Modernisation**

Since the start of the year your employer/pension provider has reported your income and statutory deductions to Revenue. By registering and using **myAccount**, you can

- view all your pay and deductions details as reported to Revenue,
- create a secure document summarising your income and deductions details.

### **Employment Detail Summary (P60 replacement)**

Under PAYE Modernisation, employers/pension providers are no longer obliged to provide a Form P60. Instead, from 1st January 2020 you will be able to view, download or print an *Employment Detail Summary* for 2019 under 'Review your tax 2016–2019' in 'PAYE services' on **myAccount**. This *Summary* will contain your income and deductions details for 2019, as reported to Revenue, and can be used as proof of your income to a third party. Alternatively, you can call us at the above phone number or write to us to request a copy of your *Employment Detail Summary*.

# Gross Pay – SAYE & APSS

# Save as You Earn (SAYE)

- Under this scheme, a company grants options over shares to its employees and full time directors. Separately, the participants will have a formal savings contract with a third party financial institution for normally a three, five or seven year savings period.
- At the end of the savings period, the employees and directors can exercise their right/option to acquire shares in the company and must pay for this out of the proceeds of their SAYE certified contractual savings scheme.
- Provided certain conditions are met, any gains arising on the exercise of the options will be exempt from income tax. USC and PRSI will still be chargeable.



# Save as You Earn (SAYE) & gross pay

- Employer deducts amount being contributed to the SAYE scheme from the employee's net pay i.e. the same as a deduction from your salary to the credit union. Amount deducted is included in your gross pay, pay for income tax, pay for USC, pay for PRSI as normal.
- When the employee exercises the SAYE option, the gain is liable to USC and PRSI and is therefore included in gross pay, pay for USC and pay for PRSI. It is not included in pay for income tax as income tax relief applies in respect of SAYE.
- Notional pay – reported on the date of exercise of the option or if there is no pay day on that day, the earlier of the next pay day or 31 December in the year in which the notional payment is made.

# Save as You Earn (SAYE) example

“Harry was granted an option over 1,900 shares in his employer’s SAYE scheme at an agreed option price of €5.70 per share. Harry has been saving €285 per month for the past 36 months, giving a total savings of €10,260. The savings scheme has awarded him a bonus of €570 (assume a max limit of twice the monthly savings amount). The total amount which can be used to purchase shares is €10,830. The current market value per share at the time of exercise is €7.25.”. (The IPASS Book, 16<sup>th</sup> Edition, Finance Act 2018)

# SAYE example continued

“Market value per share at date of exercise		€7.25
Option price per share		€5.70
Gain per share on exercise of option		€1.55
Number of shares covered by option		1,900 shares
Notional value of gain	1,900 shares x €1.55	€2,945

The notional value of €2,945 is liable to EE PRSI and USC which is collected through payroll. There is no Income Tax or employer PRSI liability. The awarding of the €570 bonus from the savings scheme does not give rise to any liabilities.”. (The IPASS Book, 16<sup>th</sup> Edition, Finance Act 2018)

## SAYE example continued

- €285 savings per month should be included in gross pay, pay for income tax, pay for USC, pay for PRSI.
- At the end of the savings period, if the option is exercised, the notional benefit of €2,945 should be included in gross pay, pay for USC, pay for employee PRSI.
- The notional benefit should also be included in the taxable benefits field but not in the pay for income tax field as it is exempt from income tax.

# Approved Profit Sharing Scheme (APSS)

- An APSS is a Revenue approved profit sharing scheme which allows an employer to allocate shares to employees, subject to certain conditions, exempt from the income tax charge on the share appropriation. USC and PRSI are still chargeable.
- Revenue will also consider approving a profit sharing scheme which includes a facility for participants to forgo part of their salary in order to increase their entitlement under the scheme.

# Approved Profit Sharing Scheme (APSS)

- Where free shares in an APSS are appropriated i.e. the employee does not contribute towards the appropriation of the shares, the value of the gain on the date of appropriation is included in gross pay, pay for USC and pay for PRSI. It is not included in pay for income tax as income tax relief applies in respect of APSS.
- The notional pay should be reported on the date of exercise of the option or, if there is no pay day on that day, the earlier of the next pay day or 31 December in the year in which the notional payment is made.
- Where the employee contributes towards shares under an APSS by foregoing salary, the salary forgone should be included in gross pay but not included in pay for income tax, pay for USC or pay for employee PAYE i.e. the same as bike to work and travel pass scheme. However, where employees and employers chose to do so, they may deduct and pay USC and employee PRSI when the salary is sacrificed.

# Approved Profit Sharing Scheme Example

- “Gerard is employed and earns €3,000 per month. He is a member of his employer’s APSS. He sacrificed a €5,000 performance related bonus in November which was used to purchase shares in the APSS. In December, shares to the value of €5,000 were appropriated to Gerard.”.

(The IPASS Book, 16<sup>th</sup> Edition, Finance Act 2018)

# APSS example continued

“November salary (liable to IT, USC, PRSI)	€3,000
December salary (pay for IT and ER PRSI)	€3,000
Add value of shares appropriate from APSS	€5,000
Pay for employee PRSI and USC purposes	€8,000”

(The IPASS Book, 16<sup>th</sup> Edition, Finance Act 2018)

December Gross Pay, pay for EE PRSI and PAY for USC is €8,000

December Taxable Benefit is €5,000

December pay for Income Tax and Pay for ER PRSI is €3,000



# Data Integrity Project Update

# Data Integrity Project Update

- Verbal update

# Actions

# Actions Update

Action	Responsibility	Update
Investigate 302 error returned when ROS is down or during scheduled maintenance.	Revenue	A 302 error is returned when all ROS services are down.
Provide % stats on the line items for submissions/corrections.	Revenue	Covered in slides
Confirm what error message will be generated during budget downtime – 500 or 302?	Revenue	Confirmed, it was the 500 error.
Provide a full list of the fields on the employment details summary.	Revenue	Covered in slides
Provide SUG with a copy of the 1 page information that will be included with the TCC and the text of the radio add.	Revenue	Provided to Jason for distribution and included in slides
Add week 53 and holiday pay details into the employers guide and also add to the website.	Revenue	Currently being updated
Provide guidance on how to align pay periods in 2019.	Revenue	Circulated to Jason (also published under <a href="#">Hot Topics</a> )
Confirm if users will be able to request the 2019 RPN schema in PIT3 after the environment is upgraded.	Revenue	Confirmed that users will be able to request 2019 RPN schema in PIT3. Upgrade completed 09/12.
Confirm what is chargeable with regard to PRSA and Pension.	Revenue	Clarification provided (updated list will be circulated)
Provide clarification on APSS from RLS.	Revenue	SAYEs and APSS covered in slides
SUG to provide scenarios of gross pay.	SUG	No additional scenarios received to date
Add e-working, itemised expenses and pension lump sum into chart on gross pay.	Revenue	Will circulate this week

# Actions Update

Action	Responsibility	Update
Jason to provide example of where advice on retrospective changes was misleading with regard to how the software could handle the change.	SUG	
Confirm if employers can request a DIT review in advance of changing software provider	Revenue	Yes they can
Further investigation on providing a URL or kill switch service to notify when our services are down.	Revenue	Investigation in progress on the development of a URL for Service Status.
Eoin to provide example of advice on correcting employee ID. May need to align with NEH.	SUG	
SUG (Eoin) to provide example of where the cumulative RPN did not have previous pay and tax details.	SUG	
SUG to provide Revenue with any issues with removal of P45 from ROS	SUG	None received
Confirm instruction on what start date should be provided on the first submission.	Revenue	Actual start date should be provided
Set up weekly SURG before and after budget/RPN weekend.	Revenue	Complete.

**AOB**

# AOB

- New field validation:

Validation Ref.	Request	Business Rule	REST API HTTP Response Code	Sync/Async	Validation Type	Validation Code	Technical Validation Description
156	Payroll Submission	<p>Pay Period must be between {number of period} when pay frequency is {payfrequency}</p> <p>Options include:</p> <ul style="list-style-type: none"><li>• 1-53 where pay frequency is weekly;</li><li>• 1-27 where pay frequency is fortnightly;</li><li>• 1-24 where pay frequency is twice monthly;</li><li>• 1-12 where pay frequency is monthly;</li><li>• 1-14 where pay frequency is week-based monthly;</li><li>• 1-14 where pay frequency is four-weekly;</li><li>• 1-4 where pay frequency is quarterly;</li><li>• 1-2 where pay frequency is bi-annual;</li><li>• 1 where pay frequency is annual;</li><li>• 1-52 where pay frequency is other.</li></ul>	200	Async	Error	2053	Invalid PayPeriod selected for chosen PayFrequency

# AOB

- Next meeting: 9<sup>th</sup> January 10am