PAYE Modernisation

Workshop
25 September 2017

Topics

Walk-through of issues raised

- Standard Payroll Run
- Payment before starting
- Payroll amendment of under/overpayment
- Replacement for P45 process
- Payment after leaving
- Medical insurance paid by employer
- RPN /weekly tax credits
- DEASP income
- Emergency tax
- In year reconciliation
- End of year statement

Standard Payroll Run

Payment before starting

- Always request most up to data Revenue Payroll Notifications for all employees
  - At start of the year this is for everyone
  - From second payroll run in the year it is for all updated since the last payroll run.
  - If you have a new employee then request a new RPN. Perform payroll calculation based on RPNs received
- Submit payroll and wait for acknowledgement
- Review results from payroll submission – totals and errors

Payment before starting

Payment before starting

- Also known as an inducement payment or "hello money" (Schedule E income)
- Set up employee with start date of the day payment is being paid.
- Request an RPN for that employee.
- Calculate deductions on payment based on RPN.
- Submit as part of payroll.

Payroll amendment of under/overpayment

Payroll amendment of under/overpayment

- PAYE system operates on the basis of when and what payment is made

- An actual under or overpayment is not a correction for PAYE Modernisation purposes

- Tax , USC, PRSI and LPT should be deducted on the basis of the actual payment made, when it is made

- No correction is required where an employee is underpaid one week and this is rectified in the next payroll run – original submission should be used here

Reporting Error

- Correct reporting error by deleting line item and providing a new line item.

- Line items can be linked.

- Keep payroll run reference the same if you want to be able to get a full result from the payroll run reconciliation service.

Replacement for P45 process

Replacement for P45 process

- Employer will be required to notify Revenue of the cessation of an employment on or before the date of cessation

- A facility will also be provided PAYE Services for the employee to cease an employment.

- Previous pay and tax details will automatically be included in the RPN for any new employment unless Revenue is notified otherwise by the employee.

- DEASP will be notified by Revenue of all commencements and cessations and the relevant dates.

- Revenue will receive regular feeds of date of death information from the General Register Office (GRO)

Payment after leaving

Payment after leaving

- Inclusion of a cessation date means that credits/rate bands from that job will be allocated to another job, where applicable
- Where there is a payment after the cessation date e.g. arrears of pay, payroll should poll for RPN as usual – where credits/rate bands have been allocated to another job, a nil RPN will issue on a week 1 basis.
- The employment ID allocated to the ceased job in respect of which the post-cessation payment is being made should be used on the submission
- When an updated RPN showing the details of this payment issues to the current employer, any refund due will then happen through payroll.

Medical insurance paid by employer

Medical insurance paid by employer

- Record of Gross Medical Insurance paid by employer is reported in the payroll submission

- Employee can claim the Medical Insurance Relief through myAccount and the amount claimed with be cross checked against the total reported by the employer

RPN/weekly tax credits

RPN/weekly tax credits

- Annual credits/rate bands will be included on RPN
- The employer can then divide by 52 or 26 as appropriate

DEASP Income

DEASP Income

- Revenue will receive real-time interfaces of taxable DEASP income
- This income will reduce tax credits/rate bands and an updated RPN will be made available
  - Where DEASP payment has been mandated to employer Remove payment from pay for Income Tax, PRSI and USC and calculate deductions based on RPN
  - Where DEASP payment has not been mandated to the employer use RPN to calculate deductions
- It is important that payroll polls for any updated RPNs since the last payroll was run each time the payroll is run to ensure that the correct deductions are made from all employees

Emergency tax

Emergency tax

- Fewer circumstances where emergency tax will apply under PAYE Modernisation as year to date pay and tax details will be available in real time

- Payroll must poll for RPN every time payroll is run – message will be provided to indicate where emergency tax should apply e.g. if employee is not registered for PAYE

In-year reconciliation

In-year reconciliation

- Core principle of PAYE Modernisation is to help employees maximise the use of their entitlements and to pay the right amount of tax at the right time – in year reconciliation will facilitate this

- Revenue will use the date received in 2019 to determine an appropriate frequency of in-year reconciliation but anticipate one in 2019 (assuming good quality and timely data from employers)

- Anticipated that only certain cohorts of employees will receive contact from Revenue regarding in-year reconciliation e.g. those with multiple jobs, casual employments

- Contact will include a recommendation that credits/rate bands are re-allocated – Revenue will not re-allocate without contact with the employee. This will result in updated RPNs being made available to payroll

End of year review

End of year statement

- Intention is to carry out automatic end of year reviews for all employees
- In early January each year, Revenue will make available an online statement outlining pay and deductions (PAYE, USC and LPT) based on employer submissions for the previous year. This will include salary, taxable DEASP payments and any income coded against tax credits/standard rate band, as well as any credits and reliefs granted to the employee.
- Employees should declare any additional income earned in the year and may claim additional credits, deductions or reliefs where applicable.
- Employees will be required to file a return in order to claim any additional credits/reliefs and get a refund.
- Any underpayments will be coded forward and any overpayments offset or refunded.

Published Documents

Documents Published – September 15th

Document	Version	Section/Field	Change Description
General			
All	0.10	N/A	Updated **'Revenue Payroll Instruction'** to **'Revenue Payroll Notification'** and **'RPI'** to **'RPN'** in all documents.
PAYE Web Service Specifications (SOAP/XML)			
Payroll Web Service Definition	0.10	Element: wsdl:definitions	Updated SOAP namespace to Version 1.2
RPN Web Service Definition	0.10	Element: wsdl:definitions	Updated SOAP namespace to Version 1.2
Payroll Schema	0.10	Element: Class	Renamed the element: "Class" (type="pc:prsiClass") to **"PRSIClass"**
		Element: TaxYear	Added to the **"CheckPayrollSubmissionRequest"**
		Element: RunReference	Added to the **"CheckPayrollSubmissionRequest"** and the **"CheckPayrollRunRequest"**
		Element: PayslipSummary	Added to the **"CheckPayrollRunResponse"**
		Element: PreviousLineItemID	Added to the **"PayrollSubmissionRequest"**
		Element: SubmissionType	Annotation updated to be in line with Data Items Document
RPN Schema	0.10	Element: TotalRPNCount	"TotalRPNCount" given the type "xs:unsignedInt"
		Element: ExclusionOrder	Changed to conditional field ("minOccurs=0" added)
SOAP Web Service Integration Guide	0.10	N/A	New Document
SOAP Web Service Integration Guide Examples	0.10	N/A	New Document
PAYE Web Service Specifications (REST/JSON)			
REST Open API Specification	0.10	N/A	New Document
REST API Reference	0.10	N/A	New Document
Supporting Documentation			
Payroll Submission Request: Data Items	0.10	Employment ID	Updated description (confirmed that field will be alphanumeric).
		PPSN	Updated context
Validation Rules: Employer Submission And RPN	0.10	N/A	New Document

Documents Published – September 15th

Document	Version	Section/Field	Change Description
PAYE Web Service Examples			
PAYE Modernisation Description Of Web Service Examples	0.10	Examples 1-6	Updated to take into account minor changes in the schema.
		Introduction & Examples 1 & 5	Updated to include references to RESTful web service API as well as SOAP web services.
		Examples 7 & 8	Examples added to describe further scenarios.
		Overview, Sections 5.8 & 7.3	Payslip Summary details added to the Check Payroll Run Response.
		Example 3	Updated Example description.
		Section 1.8	Expanded on the Check Payroll Run Response statuses.
		Appendix A	Business rules added.
		Appendix B	Line Item Correction Rules added.
Example 1: Full PAYE Modernisation Life Cycle	0.10	N/A	Added JSON example files
Example 2: Overpayment To Employee	0.10	N/A	Added JSON example files
Example 3: Underpayment To Employee	0.10	N/A	Added JSON example files
Example 4: Deletion Of Invalid Payroll Submission	0.10	N/A	Added JSON example files
Example 5: Employer With Multiple Employees	0.10	N/A	Added JSON example files
Example 6: Check Payroll Run Response	0.10	N/A	Added JSON example files
Example 7: Payroll Submission with Invalid Payslips	0.10	N/A	New example files
Example 8: Batched Submissions	0.10	N/A	New example files
List of Employees			
Employer Schema	0.10	N/A	New Document
Employee Schema	0.10	N/A	New Document
CSV List Of Employees	0.10	N/A	New Document
List Of Employees: Data Items	0.10	N/A	New Document

Documents

- **Schema Notes** - Previously provided the field definition, validation rules and message examples all part of a single document
  - **Issues**
    - Examples embedded in document
    - Document suited to single format webservice

- **Data Items document**
  - Business focussed description and context for the required data items

- **Schema Reference guides** (XML and JSON)
  - Visual representation of the file formats
  - Field descriptions, definitions and constraints
  - Mappings to referenced in Data Items

- **Validation Rules Document**
  - Description of the each of the validation rules
  - Specifies if rule applicable to XML, JSON or both file formats

- **Web service example documents**
  - Provides illustrations of key new processes
  - Example files available separate from document

Schema Reference – Data Item Mapping

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Response Header

Data Item Line Number	Data Item	Description and Format	Context
101	Tax Year	4 digit year format. Min year 2019.	Used to identify the tax year to which the Revenue Payroll Notification (RPN) relates.
102	Employer Name	The Official Name of the employer.	
103	Employer Registered Number	The registration number of the employer. Format is 7 digits (including leading zeros) followed by either 1 or 2 letters.	Used to identify employer to which the RPN relates.

Response Line Items

Data Item Line Number	Data Item	Description and Format	Context
104	RPN Number	The number of the RPN issued to the employer in respect of an employee.	Used in conjunction with the Employee PPSN to uniquely identify the instruction issued.
105	Date of Instruction	Date format dd/mm/yyyy	The date the RPN issued.
106	Employee Forename	Forename of the employee.	
107	Employee Surname	Surname of the employee.	
108	PPSN	Format is 7 digits (including leading zeros) followed by either 1 or 2 letters.	Used to identify employee to which the RPN relates.
109	Previous PPSN	Must be valid PPS number (up to 9 chars). Format is 7 digits (including leading zeros) followed by either 1 or 2 letters.	Used to identify employees previous PPS number if applicable e.g. W PPS number. Should only appear if changed since previous submission. This will appear until Revenue knows that the payroll operator has updated the PPSN in their own system i.e. until Revenue receives a submission with the new

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Validation Rules

Validation Ref.	Request	Business Rule	Data Item Number	Applies to SOAP/ XML	Applies to REST/ JSON	REST API HTTP Response Code	Validation Type	Validation Category
							PayrollSubmissionRequest – Valida	
							Request Level Validation	
1	Payroll Submission	Unable to authenticate request: Invalid request header provided.	N/A	Y	Y	401	Error	Cross Form
2	Payroll Submission	Unauthorised request: ROS Digital Certificate has expired.	N/A	Y	Y	401	Error	Cross Form
3	Payroll Submission	Unauthorised request: Invalid ROS Digital Certificate provided.	N/A	Y	Y	401	Error	Cross Form
4	Payroll Submission	Employer Registration Number not associated with any Revenue taxhead.	1	Y	Y	400	Error	Cross Field
5	Payroll Submission	Employer Registration Number must be in the correct format: 7 digits (including leading zeros) followed by either 1 or 2 letters.	1	Y	Y	400	Error	Field
6	Payroll Submission	Agent TAIN must be a valid format.	2	Y	Y	403	Error	Field
7	Payroll Submission	Agent TAIN must be active.	2	Y	Y	403	Error	Cross Field

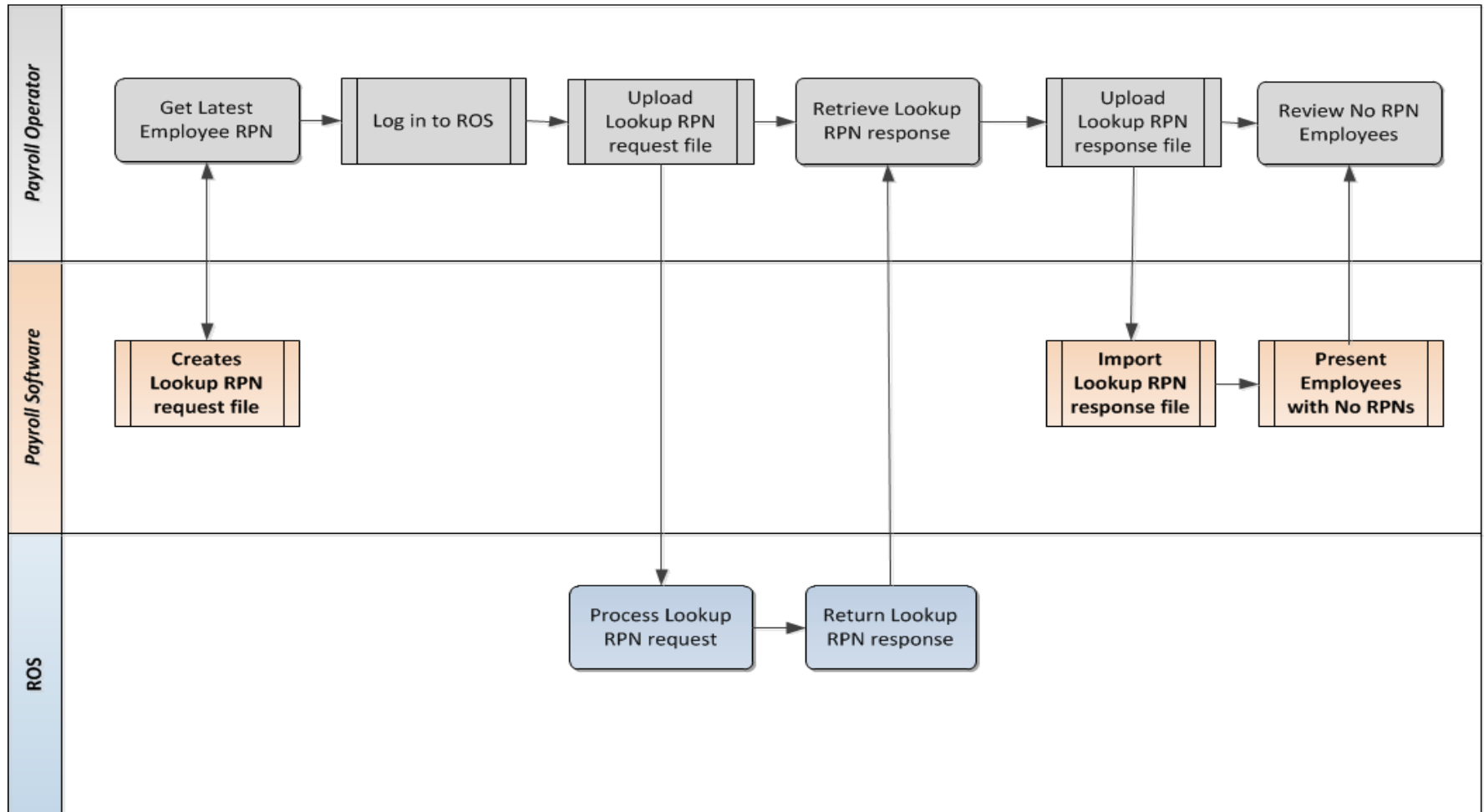| Validation Code	Technical Validation Description	Location	Path
tion			
1012	Unable to authenticate request: Invalid request header provided.	N/A	N/A
1013	Unauthorised request: ROS Digital Certificate has expired.	N/A	N/A
1014	Unauthorised request: Invalid ROS Digital Certificate provided.	N/A	N/A
1003	EmployerRegistrationNumber not found.	Header	EmployerRegistrationNumber
1004	Invalid format EmployerRegistrationNumber.	Header	EmployerRegistrationNumber
1006	Invalid format AgentTAIN.	Header	AgentTain
1007	Inactive AgentTAIN.	Header	AgentTain

File upload/Download processes

Retrieving RPNs

PAYE Modernisation
Employer RPN Process – File Upload/Download

Version: 0.1
Date Last Updated: 22/09/2017

Payroll Operator

Get Latest Employee RPN → Log in to ROS → Upload Lookup RPN request file → Retrieve Lookup RPN response → Upload Lookup RPN response file → Review No RPN Employees

Payroll Software

Creates Lookup RPN request file

Import Lookup RPN response file → Present Employees with No RPNs

ROS

Process Lookup RPN request → Return Lookup RPN response
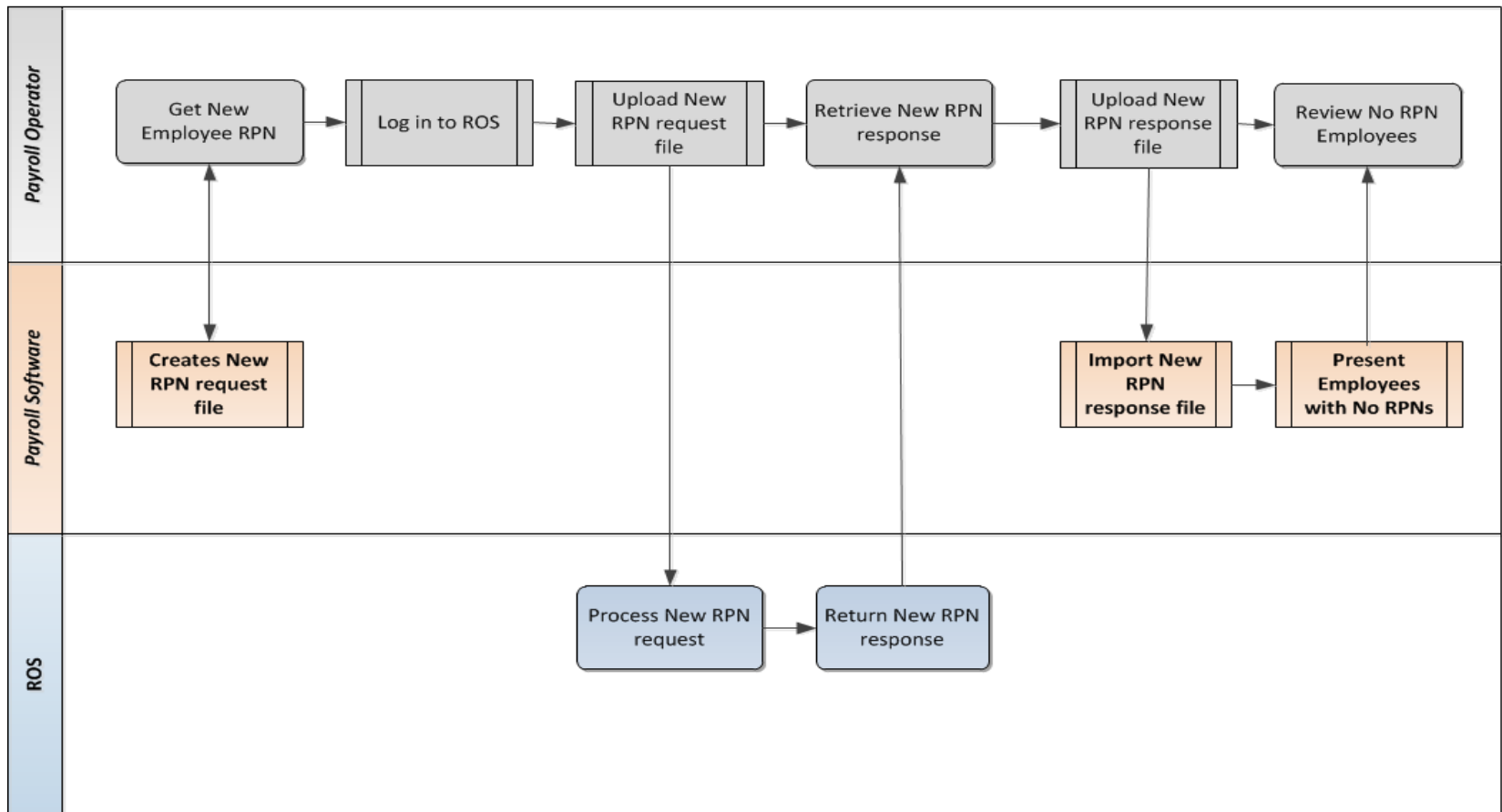
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Technical Failures

Technical Failures

- Unsuccessful responses
  - SOAP Faults

  - HTTP Responses
    - 400, 401, 403, 404, 405

- Typical Causes
  - Malformed request
  - Digital Certificate issue
  - Systems issues on the Revenue side

- Payroll or RPN request considered not received from a Revenue systems perspective

- Payroll Software will need to resubmit message when issue is resolved