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

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 Update

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 14th and 15th 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 14th of March. Service is estimated to resume at 3:00pm on Sunday 15th 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

```json
{
  "payslips": [
    {
      "lineItemID": "LineItem-XYZ-1",
      "employeeID": {
        "employeePpsn": "01074096Q",
        "employmentID": "1"
      },
      "name": {
        "firstName": "Sara",
        "familyName": "Tester"
      },
      "shadowPayroll": false,
      "payFrequency": "WEEKLY",
      "numberOfPayPeriods": 52,
      "rpnNumber": "3",
      "exclusionOrder": false,
      "payDate": "2019-12-29",
      "grossPay": 150.00,
      "payForIncomeTax": 150.00,
      "incomeTaxPaid": -50.00,
    }
  ],
  "lineItemIDsToDelete": []
}
```

New Submission

```
{
  "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

```
{
  "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

```
{
  "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": 2600.00,
      "payForIncomeTax": 2600.00,
      "incomeTaxPaid": 540.00,
      "taxableBenefits": 300.00,
    }
  ],
  "lineItemIDsToDelete": []
}
```

- 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

```
{
  "payslips": [
    {
      "lineItemID": "LineItem-XYZ-1",
      "employeeID": {
        "employeePpsn": "01074096Q",
        "employmentID": "1"
      },
      "name": {
        "firstName": "Sara",
        "familyName": "Tester"
      },
      "payFrequency": "WEEKLY",
      "numberOfPayPeriods": 52,
      "rpnNumber": "1",
      "payDate": "2020-03-11",
      "grossPay": 2552.00,
      "payForIncomeTax": 2552.00,
      "incomeTaxPaid": 510.00,
      "taxableBenefits": 252.00,
    }
  ],
  "lineItemIDsToDelete": []
}
```

- 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

Notional Pay Overreported in 2019

- On review of benefits received in 2019 it is discovered that there is an extra €100 of notional pay that was 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

```
{
  "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

```
{
  "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": 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

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

Actions

Actions Update

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

AOB

AOB

- Protocols around Covid-19

- PAYE Modernisation Scenarios (correction examples) – [link](#)