

SFA Design Workshop

Summary Findings

24th April 2017

Background

Stakeholder Design Workshops

As part of the PAYE Modernisation Project Revenue is engaging with external stakeholders to contribute to the design process. The main aims of this engagement are to:

- Gain insight into customers' business processes
- Gain greater knowledge of pain points of the current system
- Identify and resolve any potential design issues from the outset ensuring practicality and reduction in administrative burden
- Provide transparency to the design process for all
- Gain buy-in from key stakeholders
- Overall, optimise design, implementation and success of the programme by using stakeholder expertise

Stakeholder Corrections Workshop

Two workshops were held with the Small Firms Association on the 24th April 2017

The topics covered were:

- Employer Submission
- Commencement/Cessation
- Corrections

Employer Submission

Workshop Suggestions

- All participants in attendance use a software package.
- Concern that new system should be able recognise an employee who may have up to 3 PPSNs over their working life.
- Suggestion that an online service should be in place to obtain PPSN as the appointment system is slow? It can be two weeks before an appointment is given.
- Will PPS numbers ending in W be recognised in new system
- Works numbers are often re-used where the software package allows up to 25 employees only.
- Concern expressed over lack of broadband in certain rural areas.
- Pension providers reluctant to include Illness Benefit for tax as they do not regard themselves as the employer.

Workshop Suggestions

- Opinion expressed that Director was not a relevant data item for pension providers.
- Should pensions paid to children be treated differently?
- For First Name and Last Name fields: It should be possible to input an alternative name (eg foreign employee who uses an alternative name rather than her official name which appears on the P2C).
- Delay in PPS numbers issuing from DSP is an issue. Suggest online application process
- Lack of address an issue for new arrivals to the country
- Suggest something should replace P45 as employees will expect a document on cessation

Workshop Suggestions

- Issues raised by employer who pays in arrears or in advance. How will this work in real time. **To be considered**
- Suggest passport number used as Unique Identifier Number
- The new service in ROS should advise shut-down periods in advance to ensure better customer service
- Employees do not understand payroll and it often falls on the payroll or employer to deal with pay and tax queries
- View expressed that employees often do not understand payroll so a dedicated Helpline service was suggested in addition to advertising and targeted communications and education

Commencement/Cessation

Commencement/Cessation

- Currently there may be a delay in receiving a Form P45 from a new employee of a couple of weeks. The previous employer may not issue it straight away or the employee may be due a further payment.
- Employees do not have sufficient understanding of payroll and it often falls on payroll or employer to deal with pay and tax queries
- It was outlined how frustrating it is not being able to discuss an employee / pensioners tax with Revenue over the phone. At present, Revenue will only deal with the employee / pensioner directly. This will be an issue when the new system goes live.
- One employer said how frustrating it is to call the Revenue helpline and the call cuts off without getting a chance to speak to someone.

Commencement/Cessation

- Query raised as to whether there will be additional Revenue resources, with required technical knowledge, to deal with the volume of queries that will arise when the new system kicks in. Payroll cannot delay paying their employees/pensioners.
- Issue raised around Week 1 basis in current system. Week one basis is applied when Form P45 from the previous employer is not on record, however, when the P45 is subsequently filed it does not trigger an amended P2C to be issued on a cumulative basis. Week one basis will only be removed when the individual contacts Revenue.
- Attendees were asked if they would notify Revenue when a new employee commences so as to request a P2C **or** notify Revenue of the commencement when payroll is being run without a P2C. Most said they would prefer to commence the employee before the payroll is run so they get the P2C.

Commencement/Cessation

- It should be possible to input date of cessation in advance
- Dual employments with the same employer registered number can currently be set up on Revenue records using an “X” and “T” to differentiate between the two. One pension provider was advised in error by Revenue staff that it is not possible to have more than one record. Therefore, he has to manually split allowances between two pensions for 12 pensioners.
- Overpayments are an issue with death cases. Payroll may have to go over previous months and request the net amount back from the estate. Then they claim the tax back based on the net amount.
- LPT is currently an issue as the balance due does not transfer from a Form P45 onto a new employer/pension providers cumulative P2C. The previous pay, tax and USC will be on the P2C, but the LPT amount is not stated.

Commencement/Cessation

- Casual staff are issued with a From P45 when they leave and treated as a new employee when they return.
- Employers have no way to verify a PPS number. Some payroll software will reject an invalid PPS. When a P2C is issued, the employer will match the name and PPS number they have to the one on the P2C.
- P2Cs are occasionally issued to individuals who were never on payroll. These are generally ignored.
- USC exemptions do not always carry over into the following tax year. This has affected pensioners. Pension providers have to advise the pensioner to contact Revenue directly

Commencement/Cessation

- Directors pay would be hard to record in real time. The information is not known until the end of the year.
- Suggested it would be a good idea to run a basic tax programme in Transition Year to teach students the basic tax information and have them register for myAccount.

Corrections

Corrections

- Most attendees agreed that the need for corrections is rare.
- Corrections would be made before file submitted to Revenue
- Once pay has gone to the bank, no amendments made. Usually made in next period
- Frustration around Revenue's phone lines. Not answered regularly and payroll can only query about 3 employees at a time.
- Delay in Tax Credit Cert. Will need to be updated more quickly in new system
- Employers/Payroll should be notified in advance if ROS will be offline
- Suggestion that no penalties applied to employers if amendments/corrections made within 2/3 months of return

Corrections

- It was suggested that the file should not have to be submitted on the day the payroll is run. Comparison to the issues around this in UK RTI.
- Current delay in Maternity Benefit payments. This causes issues for payroll and delays will have to be kept to a minimum if real time reporting is to work
- Suggestion that all payslips should follow the same format as employees find it difficult to follow (this is a software developer issue)
- Issue raised around pay made in arrears. Pay earned in December, not paid in January. How will this work in new system. This issue is to be considered

Corrections

- Suggest system should include marker for pension schemes
- Suggest no amendment made to Direct Debit Scheme, but question raised as to what figure would have to be paid. i.e the figure returned or a chosen set amount
- If there is a deceased marker on record new system must ensure no auto refund is processed
- For very small employers, agents are not notified regularly about employees and pay etc. It will be difficult to get buy in from these employers

Corrections

- Illness Benefit an issue – employers found that the issue of letters was haphazard and they rely on employees for correct data.
- All agreed that inclusion in P2C the best solution - It was suggested that Revenue and DSP work more closely together
- File goes to Revenue same time as payment goes to bank
- New payslips issued when corrections made
- It was asked if the process for SARP could be simplified
- It was stated that for the success of the project, information was 'key'

Next Steps

- Summary of discussions to be circulated
- Further feedback via payemodernisation@revenue.ie or SFA
- Design workshops scheduled with other stakeholders including members of the PSDA
- Ongoing engagement between Revenue and DSP working through impacts and opportunities of PAYE Modernisation, including taxation of benefits and PRSI reporting and collection.