

Returns by Employers in Relation to Reportable Benefits – Enhanced Reporting Requirements

Part 38-03-33

This manual should be read in conjunction with Part 38 and Part 42 of the Taxes Consolidation Act 1997 (TCA 1997)

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1. Introduction

Section 897C of the Taxes Consolidation Act 1997 (TCA 1997), introduced by Finance Act 2022, provides for the mandatory reporting to Revenue by employers in respect of three specific measures, collectively referred to as “reportable benefits”. Such reportable benefits are made without the deduction of tax.

The reportable benefits are:

- 1) the remote working daily allowance of €3.20,
- 2) the payment of travel and subsistence expenses, and
- 3) the small benefit exemption.

When the legislation was introduced in 2022, it was subject to a Commencement Order to allow sufficient time for the necessary implementation stakeholder consultation process.

S.I. No. 635/2023 - Finance Act 2022 (Section 9) (Commencement) Order 2023, available on the [Irish Statute Book](#), provides that the Enhanced Reporting Requirement [ERR] came into operation from 1 January 2024, with employers required to report from this date.

Details of the filing options available to employers are explained in [section 6](#).

In respect of the period 1 July 2024 – 31 December 2024, Revenue is continuing to support those employers who are making genuine efforts to meet their reporting obligations. As part of this, Revenue has confirmed that it will not seek to apply penalties for non-compliance during the remainder of 2024. However, employers are reminded that Revenue has provided a wide range of supports to assist them in embedding the new reporting requirements, and it is therefore expected that employers are taking all reasonable steps to ensure that they are now complying with the new reporting obligations. This means that from 1 July 2024, there is a firm expectation that all employers providing reportable benefits submit details of same on or before the provision of the benefit. In particular, employers who have integrated systems that have the functionality and capability to file, should be doing so. It is also expected that any employer who commences filing after 1 July, will be expected to backdate its filings to 1 July 2024.

2. Overview

Chapter 4, Part 42 of the TCA 1997 currently requires all employers to submit payroll details to Revenue in respect of each individual employee/director in their employment, on or before the date they make a payment of an emolument to the employee/director. Payroll details include pay, income tax, USC and PRSI deductions, as well as taxable benefits and pension contributions.

Section 9 of Finance Act 2022 which provided for the insertion of the new section 897C TCA 1997 and other consequential amendments to Chapter 4 of Part 42, extends those reporting obligations to additional payments/benefits provided to employees/directors.

As certain conditions must be satisfied for an employer to make any payment or provide a benefit without operating income tax, USC, and PRSI the employer is already required to have sufficient controls in place, to capture and maintain this information as well as comprehensive supporting documentation and records, to support this tax treatment. The new ERR requires the information to be reported to Revenue when the reportable benefit or payment is provided to the employee/director.

3. Purpose

The main benefits of the additional employer reporting of certain expenses/benefits include the following:

- 1) Enhancement of Revenue's compliance framework to ensure that the correct amount of tax is collected at the right time, in a manner that results in optimal efficiency for compliant taxpayers and for Revenue.
- 2) Diversion of resources and contacts away from compliant employers, thereby avoiding associated compliance costs.
- 3) Providing increased visibility and assurance to employees that their income is being reported properly to Revenue.
- 4) Provision of meaningful and effective high-level data for policy consideration by the Department of Finance on such reportable measures.

4. Reportable Measures

4.1. €3.20 remote working daily allowance

Revenue operates an administrative practice which allows an employer to make payments up to €3.20 to employees, for each day worked from home, subject to certain conditions being satisfied, without the need to deduct income tax, USC or PRSI. Guidance for this measure is available in Tax and Duty Manual (TDM) [Part 05-02-13 Remote Working Relief](#).

4.2. Travel and subsistence payments

Where an office holder or employee is paid an advance in respect of expenses, that payment is subject to tax as a perquisite and income tax, USC and PRSI must be deducted.

Arising from an employee's or office holder's entitlement to a tax deduction in respect of certain expenses under section 114 TCA 1997, there exists a long-standing administrative practice under which employers may reimburse the expenses of travel (and subsistence relating to that travel), without deduction of income tax, USC and PRSI, subject to certain conditions being fulfilled.

Guidance for the travel and subsistence measure is available in TDM [Part 05-01-06 Tax treatment of the reimbursement of expenses of travel and subsistence to office holders and employees](#).

4.2.1 Advance travel and subsistence payments and ERR

As noted above, an advance payment is subject to tax and as such would not fall within scope of ERR reporting, as the payment does not relate to travel or subsistence incurred by the office holder or employee and because the payment is subject to tax via the payroll when it is paid.

However, when the office holder or employee submits a claim for the related travel and subsistence expense incurred to his/her employer, and the employer wishes to avail of the section 114 administrative practice (i.e., not tax the travel and subsistence expense) this may require an adjustment within payroll to give the effect of no tax applying to the expense amount incurred by the individual, thus at this point the travel and subsistence expense would then be subject to ERR.

Revenue recognises that this may give rise to certain practical issues for employers in terms of its interaction and obligations with ERR requirements. Thus, to facilitate a simplification process and to alleviate additional administrative burdens on employers, Revenue will implement an optional administrative practice in respect of advance travel and subsistence payments.

Under this administrative practice, an advance travel and subsistence payment may be treated, in certain circumstances, as not being subject to tax via the payroll when paid, but instead treated as a payment where no tax is deducted in respect of travel and subsistence and thus subject to ERR reporting at the time of payment. Then, when the expense is incurred and the claim submitted by the employee/director, the employer will be required to update their ERR submission to Revenue to reflect the actual travel and subsistence expense amount in respect of that employee/director.

The conditions that must be satisfied for this administrative practice to apply are as follows;

- The employer must have appropriate controls in place to track and reconcile all travel and subsistence advance payments.
- The advance travel or subsistence payment must be reported under ERR when the payment is made using a new subcategory of Travel and Subsistence - see [paragraph 5.3](#) below.
- The travel or subsistence advance payment must be a reasonable estimate of the expected claim amount, which must qualify for relief under section 114 TCA 1997.
- A claim for the actual travel or subsistence cost must be received by the employer without any undue delay, with the ERR submission subsequently updated in respect of this claim.
- Any excess in payment should be recouped by the employer without undue delay or subject to tax if not so settled.
- Once the software solution to facilitate this practice is in place the employer must commence reporting to Revenue.

As noted above, a timely reconciliation of the advance payment with the actual claim is required in order to avail of the administrative practice, therefore Revenue does not expect that an employee/director would have more than one open advance payment at any time, but this may arise in exceptional circumstances.

The Revenue ROS online/file upload and API are now available in the ERR system for advance travel and subsistence payments. Employers/agents who use third party software will need to engage with their software providers to develop a reporting system for advance payments.

It is not proposed that an employer must notify Revenue in advance if they wish to avail of this new administrative practice. The employer must however have appropriate governance and controls in place together with supporting documentation to demonstrate the required conditions are met. In addition, the employer must immediately report all advance travel and subsistence payments on a going forward basis under ERR when the employers chosen IT reporting mechanism becomes available. Broadly, this will require the advance travel and subsistence payment to be reported under ERR when paid to the employee/director and the employee's/director's ERR submission updated once the expense is incurred and the claim is made.

There is no obligation on any employer to adopt this administrative practice. In the case where an employer chooses not to operate the practice, the normal rules apply, and the advanced travel and subsistence payment is taxable in full through the payroll. In such cases, there is no obligation to report under ERR as the payment has been subject to tax.

4.2.2 Individuals carrying out work on a voluntary and unpaid basis

Revenue do not require reporting under ERR in regard to untaxed payments for travel and subsistence expenses –

- a) made to individuals whose **only** payments from the organisation relate to travel and subsistence expenses incurred; and
- b) those payments do no more than reimburse the individual for expenses he or she has necessarily incurred in the performance of his or her volunteer duties; and
- c) those payments do not exceed the Civil Service rates for reimbursement of expenses of travelling and subsistence.

The normal rules regarding the requirement to retain adequate books and records for compliance purposes still apply.

To Note

This exclusion only applies to individuals who work on a voluntary and unpaid basis for organisations which operate on a not-for-profit basis (for example, charities, sports bodies, etc.)

Individuals involved in charities, sports bodies, etc., who, in addition to a reimbursement of actual expenses of travel and subsistence, receive, either directly or indirectly, remuneration of any description (for example, weekly or monthly salary, an honorarium, and/or a 'bonus', etc.), do not fall within the description of 'carrying out work on a voluntary and unpaid basis'.

4.3. Small benefit exemption

The small benefit exemption provides that employers may make tax-free benefits to employees in the form of vouchers or other benefits within the remit of section 112B TCA 1997. Guidance on this measure is available in TDM [Part 05-01-01e](#) - The small benefit exemption.

5. Reporting Requirements

The legislation requires an employer to notify Revenue on or before the provision of any of the three reportable measures to an employee in real time. As stated in paragraph 2, an employer must determine in advance of the payment or benefit being made, whether the conditions for payment without the deduction of tax have been satisfied.

If the employer is satisfied that the payment or benefit is non-taxable and meets the criteria of one of the items reportable, they must ensure that the details are reported to Revenue, on or before the payment/benefit has been provided to the employee.

An employer is already required to maintain detailed records of all non-taxable payments or benefits provided to employees/directors.

S.I. No. 1/2024 - Income Tax (Employments) Regulations 2024, available on the [Irish Statute Book](#), prescribes the reporting period, the form and other particulars or documents that will apply in regard to reportable benefits.

In accordance with S.I. No. 1/2024 - Income Tax (Employments) Regulations 2024, Revenue requires employers to report the following information in respect of each item subject to reporting.

5.1. Small benefit exemption

The reportable details are:

- value of the benefit, and
- date provided to the employee.

5.2. Remote working daily allowance

The reportable details are:

- total number of remote working days,
- amount paid, and
- date paid to the employee/director.

5.3. Travel and subsistence

The reportable details are amount paid and the date paid to the employee/director for each of the following subcategories:

- travel vouched,
- travel unvouched,
- subsistence vouched,
- subsistence unvouched,
- advance payment of travel and subsistence,
- site-based employees (including “country money”),
- emergency travel, and
- eating on site.

6. Reporting Mechanisms

There are three reporting mechanisms available to employers:

1. Direct reporting software packages
2. ROS File upload
3. ROS Online form

6.1. Direct reporting software packages

As part of enhanced reporting requirements (ERR), a number of web services are provided to allow for the reporting of non-taxable payment information to Revenue.

A dedicated Application Programming Interface ('API') channel will allow 3rd party software to integrate with Revenue systems, enabling employers to report non-taxable payment information to Revenue. For more information contact your software provider.

It is important that while the integration will enable the real time reporting, it is necessary for employers to continue to have good controls and governance in place to ensure that they are reporting accurate information in the required timeframes.

The following are visual illustrations of how the reporting requirements are integrated into existing processes.

Scenario 1

James travels to Dundalk for a conference from Wexford. He claims his expenses via the employer's travel and subsistence (T&S) portal.

Once approved all expenses are paid to James by his employer in the next expense payment run and the reporting of the T&S for James is reported at the same time as the payment run is completed.

Expense report in T&S portal updated to paid.

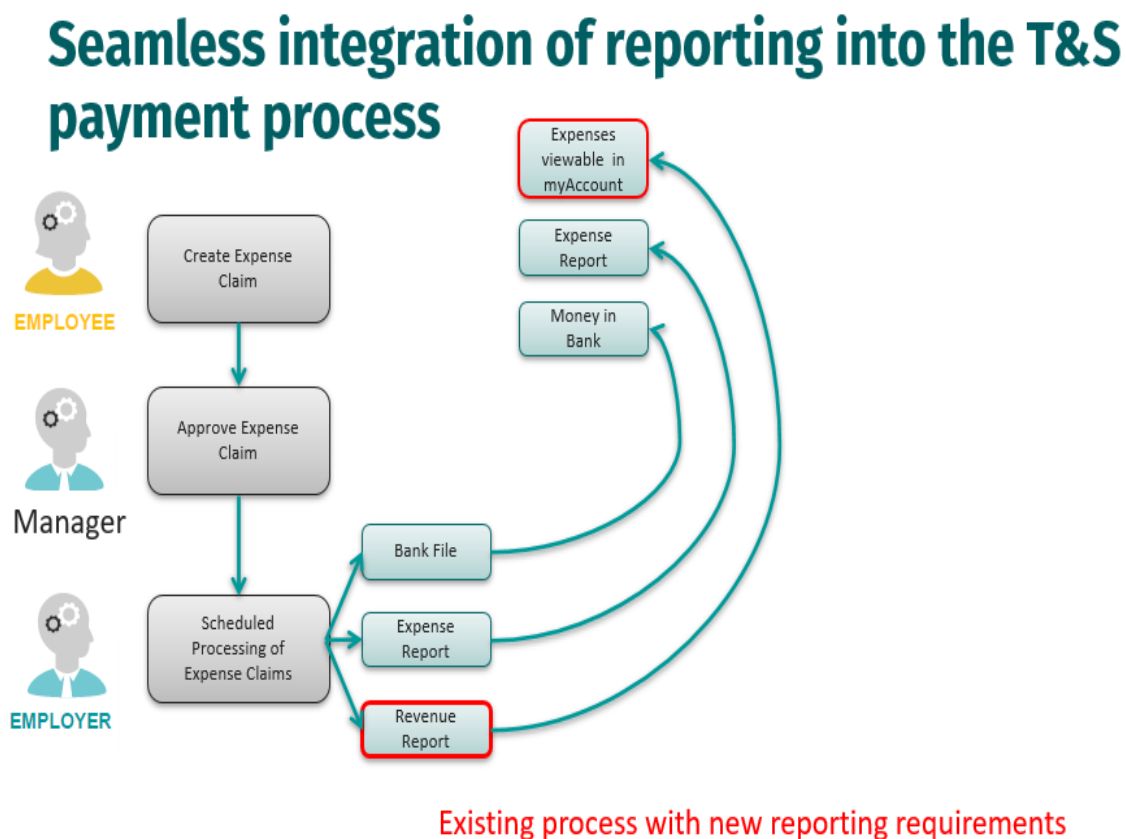


Figure 1: Integration of Reporting of T & S payment process

Scenario 2

Barry works for a tech start up and works from home 4 days a week. He is paid monthly and receives a remote working daily allowance (RWDA) from his employer as part of his monthly payroll.

Once approved all expenses are paid to Barry by his employer in the next expense payment run and the reporting of RWDA for Barry is reported at the same time as the payment run is completed.

Seamless integration of reporting into the payroll process

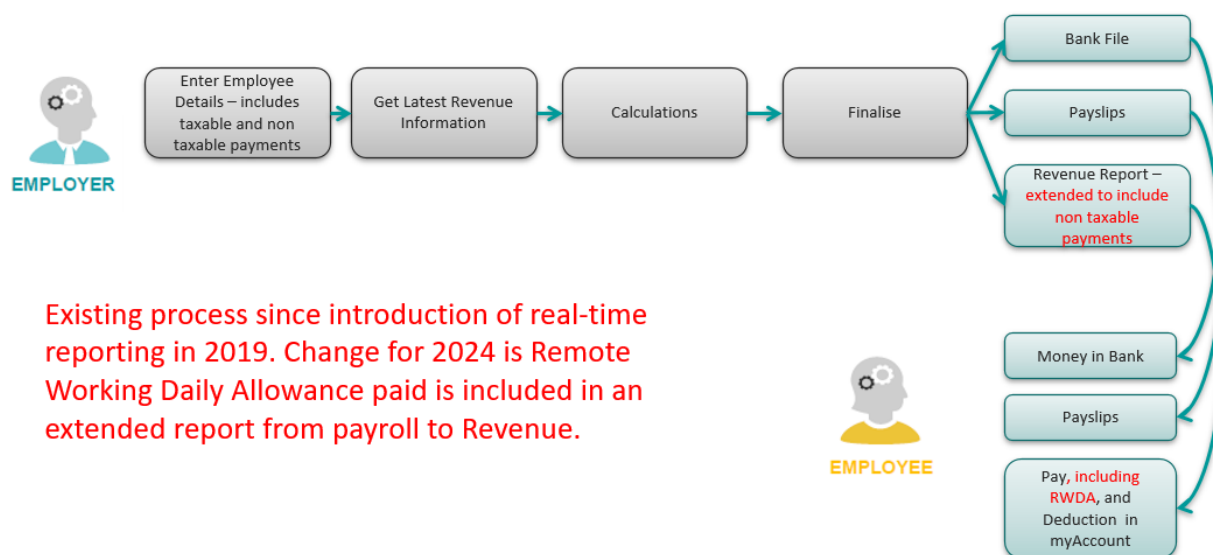


Figure 2: Reporting into payroll process

6.2. ROS File Upload

Employers will have the option to input the required information to a file which they can upload directly to their Revenue Online Service ('ROS') account.

It's important to note that data uploaded to Revenue by employers must be transferred in a specific data structure to ensure the quality of the data and enable Revenue to match it automatically to the correct employee record. This means that the file must be in JSON or .xml format to Revenue systems.

Note: Employers will be able to create JSON or .xml file using standard excel functions such as excel macros.

A demonstration to completing the ROS File Upload can be found [HERE](#).

6.3. ROS Online Form

Using the online form employers will be able to input the required information directly into ROS, with the necessary screens being provided. These screens will have pre-population features to allow employers to save employee details, thus enabling the easy submission of future expense and benefit data.

A guide to completing the ROS File Upload can be found [HERE](#).

Scenario 3

Barry receives a €500 voucher from his employer at Christmas. The employer keeps records of vouchers in a central spreadsheet to ensure the conditions to qualify for the small benefit exemption are met.

The employer uses ROS to meet its reporting requirement.

Employer Reporting via ROS

New reporting requirement to record details in ROS for small benefit exemptions that were previously recorded in a spreadsheet only.

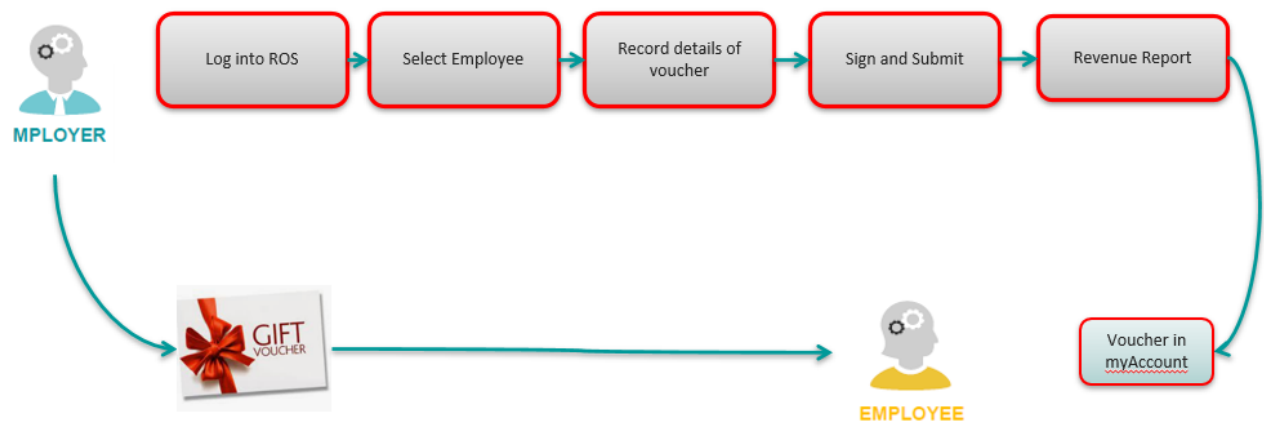


Figure 3: Employer reporting via ROS

7. Examples

7.1. Remote Working Daily Allowance [RWDA]

Example 1

Carol's employer operates an administrative practice which allows them to make a payment of up to €3.20 per day to Carol without the need to deduct PAYE, PRSI or USC.

Carol works 10 days each month from home. All other days Carol is in the office. Carol's employer pays on the 25th of each month and includes payment of €32 for RWDA with her salary payment.

Carol's employer is already recording this RWDA payment when completing Carol's payroll. From 1 January 2024, Carol's employer must, report to Revenue the details of the RWDA paid to her in an ERR submission. They must report this on or before the 25th of each month being the date they make the payment to Carol. This will form part of the employers existing governance processes.

The employer must report the date the RWDA is paid to Carol, the amount of RWDA paid and the number of days it refers to.

Example 2

Donal's employer has decided in December 2024 that he will pay the RWDA to Donal for the days he worked at home during the year.

Donal has worked 50 days from home throughout the entire year and will be paid RWDA of €160 in total. Donal's employer includes the RWDA with Donal's salary at the end of December on the 31st.

Donal's employer must report to Revenue the details of the RWDA paid to him in an ERR submission on or before the 31 December, the date it is paid to Donal.

They must report the date it is to be paid to Donal, the amount paid and the number of days it refers to.

Example 3

Donal's employer decides that the following year he is going to continue to pay Donal the RWDA. He has decided that he will pay Donal €5 per day, and it will be paid to Donal each month on the 5th based on the days Donal works from home.

As the RWDA is capped at €3.20 per day, Donal's employer must calculate the portion that is a qualifying RWDA payment and report that amount in an ERR submission on or before the 5th of the month, the date it is paid to Donal.

Any amount above the cap is subject to tax under PAYE and must be included in Donal's taxable pay and reported as part of the employer's normal payroll reporting process.

7.2. Small Benefit Exemption

Example 4

Anne works for a large multinational. Each year she receives two €500 vouchers from her employer. She receives these in June and December each year on the 20th of the month. She does not receive any other non-cash benefits from her employer.

Before Anne's employer provides the voucher, they must satisfy themselves that it meets the conditions for small benefit exemption and therefore can be given as a non-taxable 'payment'.

Anne's employer must report to Revenue, on or before the 20 of June, the date the voucher is to be given to Anne and again on or before the 20 December, the date the second voucher is to be given to Anne. This must be reported through an ERR submission both times.

The detail that they must provide to Revenue is the date the vouchers issue to Anne and the value of the vouchers.

Example 5

In March 2024, Anne's manager has decided that Anne deserves an additional bonus for her hard work. Her manager gives her a €200 voucher for the local salon on the 15 March. Anne will also receive two €500 vouchers from her employer, one in June and another in December. She does not receive any other non-cash benefits from her employer.

Anne's employer must satisfy themselves that the conditions for the small benefit exemption apply before the voucher is given to Anne without the application of tax. Where the exemption from tax applies Anne's employer must report the required details on or before the voucher is given to Anne in an ERR submission.

Anne is only entitled to two vouchers or non-cash benefits tax-free in any one year (being the first and second, subject to the €1,000 cap). The vouchers that are tax-free in 2024 for Anne are the voucher given on the 15 March 2024 by her manager and the voucher given on the 20 June 2024.

The detail that they must provide to Revenue is the date the vouchers issue to Anne and the value of the voucher.

As Anne received two previous vouchers, the voucher paid in December 2024 is taxable and should be reported as normal through payroll.

Example 6

Barry receives a €300 voucher from his employer on the 14 February 2024. On the 30 June Barry receives a gift basket of food from his employer. This gift basket is valued at €200.

Barry's employer must report to Revenue in an ERR submission both the voucher on or before the 14 February 2024 and the gift basket on or before the 30 June 2024. The details that they must provide to Revenue are the date the voucher/gift basket is provided to Barry and the value.

Example 7

Following on from example 6, Barry receives another voucher on the 3 November 2024 for €500. The voucher given to Barry in November 2024 is taxable, as this is the third incentive given in the year and must be taxed and reported as normal through payroll.

Example 8

Employer A provides easter eggs every year in April to all of its employees. Employer A also provides three €50 vouchers in January, June and November each year to all of its employees.

Employer A must determine before it provides any small benefit to its employees whether that 'payment' is a taxable payment, where income tax, USC and PRSI are applicable and it is reported through payroll.

If Employer A is satisfied that the benefit meets the conditions for the small benefit exemption, it must be reported in an ERR submission, with the date of payment and the value of the payment reported. One of the conditions of the small benefit are that it is the first and second provision of such a gift, with a maximum value of no greater than €1,000 that are to be deemed the small benefit and subject to the exemption.

In this instance the provision of the voucher in January and the easter egg in April will constitute small benefits for which the conditions for tax exempt treatment will apply. As with the other examples the voucher in January must be reported on or before it is provided to the employee and the value of the easter egg must be reported on or before it is provided to the employee in April.

Therefore, these benefits must be reported through ERR. The vouchers in June and November are taxable, as they are the third and fourth incentives given in the year and must be taxed in the normal way through the PAYE system.

Example 9

Employer B provides a Christmas gift each year to all staff.

These gifts have a value no greater than €1,000 and are never in the form of cash. Employer B provides no other vouchers or gifts at any time during the year to its staff.

Employer B must determine before it provides the small benefit whether that 'payment' is a taxable payment, and it is to be reported through payroll.

Employer B is satisfied that the gift meets the conditions of the small benefit and is a non-taxable payment. Employer B is now required to report this payment to all staff in an ERR submission either at the time they are being given to staff or in advance.

Example 10

Employer C has a companywide policy of awarding performance awards every quarter to staff members in the form of €100 vouchers.

Two are allocated to each department with the decision as to who receives the award at the discretion of the manager.

Sarah's manager decides in June 2024 that she is deserving of such an award. In advance of Sarah receiving her award on the 30 June, her manager must first provide her details to the HR/payroll department to determine whether this is a non-taxable payment.

As Sarah has only received one other €100 award voucher since January of that year, this second award will satisfy the criteria of a non-taxable small benefit and can be reported in an ERR submission and awarded to Sarah.

7.3. Travel & Subsistence

There are seven subcategories available under Travel & Subsistence, an employer should select the subcategory most relevant to the payment being reimbursed.

Example 11

Frank travels around the country every day for his employer. Frank does not use a company credit card or fuel card for any of the travel expenses he incurs.

On Friday at the end of each week Frank submits details including receipts for the travel and subsistence expenses he has incurred. Following the approval of his expenses, Frank's employer reimburses him based on the receipts. His employer does this on a monthly basis on the 28th of each month.

Frank's employer must provide details of the expenses reimbursed. As the reimbursement is based on receipts provided, these are vouched expenses. This must be reported in an ERR submission on or before the 28th of each month. Using the appropriate subcategory; 'Travel Vouched', the amount paid and the date it is to be paid must be provided in the submission.

Example 12

Geraldine does similar travel to Frank. She also does not use a company credit card or fuel card.

Geraldine does not provide receipts for her travel expenses. At the end of each week Geraldine submits details of her travel and her employer calculates the appropriate reimbursement based on the Civil Service rates applicable. Her employer does this on a weekly basis each Friday.

Geraldine's employer must provide details of the unvouched expenses in an ERR submission on or before the payment each Friday that is made to Geraldine.

Using the appropriate subcategory 'Travel Unvouched', the amount paid and the date it is to be paid must be provided in the ERR submission.

Example 13

Harry travels sporadically as part of his job. Harry's employer has provided him with a company credit card, and he pays for all travel expenses using this card. Harry provides the details, including receipts to his employer on a monthly basis.

As, the expenses incurred were paid using the company credit card there is no reimbursement of expenses. Expenses paid using company credit cards are not currently in scope for ERR reporting.

Example 14

Employer A has over 100 staff who all travel extensively for work. The company policy allows the employees to report the travel expenses they have incurred on a daily basis, and they will be reimbursed immediately.

Each employee reports this through their employers Travel and Subsistence portal to their line manager. On the line managers approval, the claim is sent to the payroll department to be processed and paid to the employee.

Travel and Subsistence now falls under ERR and must be reported to Revenue in real-time. For Employer A, as they make payments of untaxed travel expenses daily, they must report it daily to Revenue under an ERR submission.

The details to be reported is the subcategory of travel it falls within, the date of payment to the employee and the value of that payment.

Example 15

Inga has a number of business trips every month. Inga does not have access to a company credit card so her employer pays her a round sum amount of €500 in lieu of any expenses she may incur.

This is not reimbursement of expenses, nor is it an allowable tax-free benefit. This payment must be included as part of Inga's salary and taxed in the normal manner through the PAYE system.

Example 16

Joe works for a large construction company where he is required to carry out his duties at different locations. These sites are located greater than 32km (20 miles) from Joe's employers' base. Joe's employer pays him expenses of travel and subsistence of €181.68 per week on top of his salary (i.e. the current approved maximum rate for site-based employees). Joe's employer pays this amount once a month for each week that Joe has worked in the previous month.

Joe's employer must provide details of this payment to Joe on or before it is paid to Joe. This must be reported in an ERR submission and would be considered a site-based employee payment.

The subcategory, amount paid and the date on which it is to be paid must be provided in the ERR submission.