

PAYE Modernisation IFA Portlaoise

12th December 2018

Background & Design Principles

Why modernise PAYE?

Changing nature of:

- Employments
- Payroll
- Information and communications technology
- Expectations

Are you an employer?

Are you an employer?

- Do you have someone who works for you?
Cleans the yard
Milks the cows
Picks the mushrooms
- Do you have seasonal workers?
Works certain times of the year
- Do you have casual employees?
Works occasionally once\twice per week, per month

If YES – your current employer obligations

Current Obligations

Paying Employees & Reporting

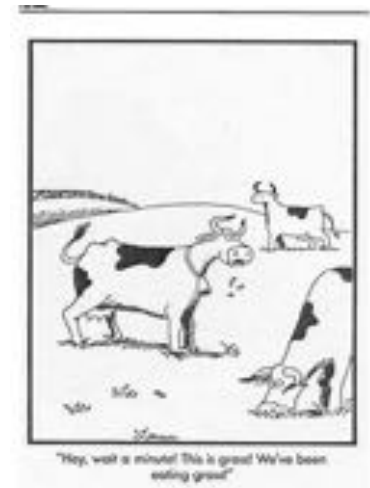
1. Apply the latest P2C
2. Calculate tax to be deducted (IT, USC, PRSI & LPT)
3. Provide the employee with a payslip that shows the pay and deductions made
4. P45 / P46 for every employee starting or leaving employment with them
5. Each month / quarter submit a P30 and payment
6. By February of the following year complete a P35 with the associated listings for all employees

What does real time mean

- Farmers are already taking advantage of advances in technology to harvest **real time** information

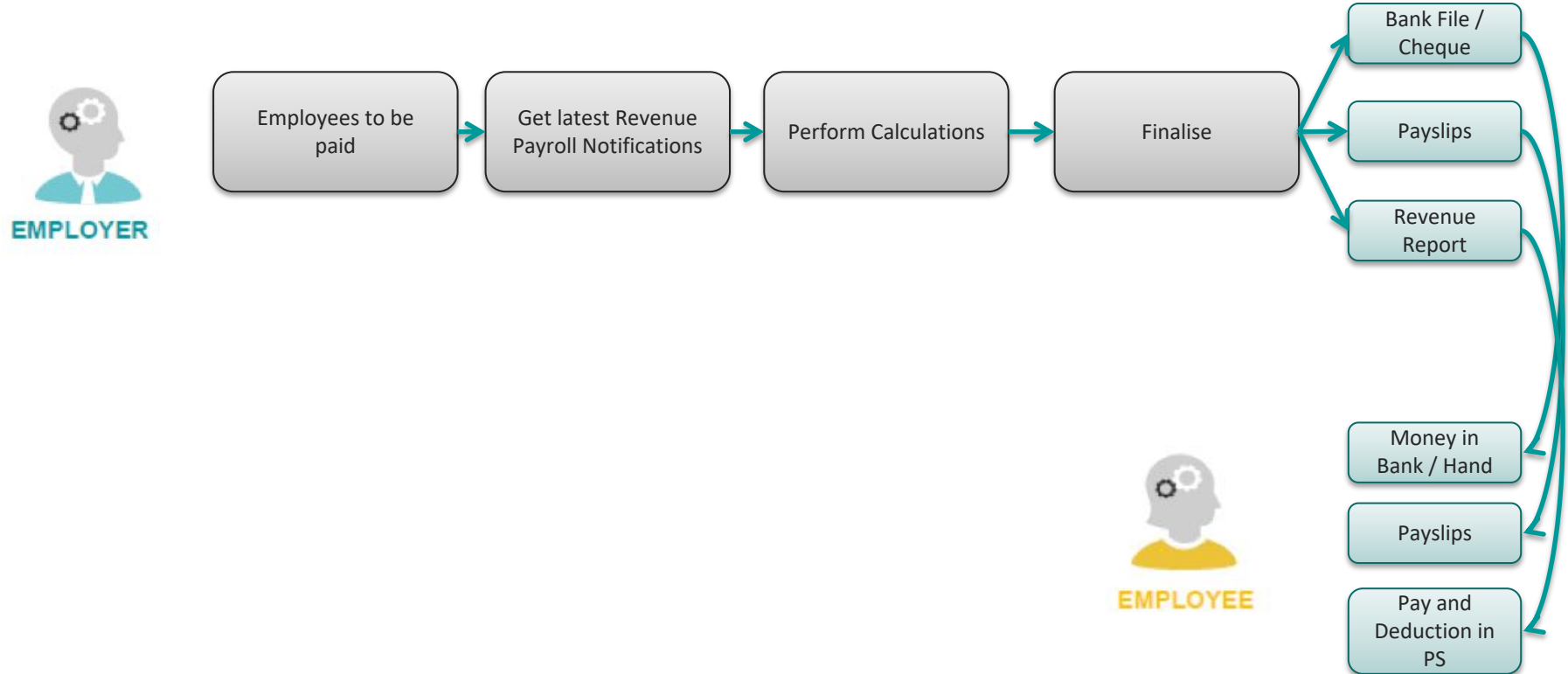


- Moo Call
- Texts with protein content of milk
- PAYE modernisation



High Level Design and Process Flows

From 1st January 2019 Real Time Reporting



Abolition of P30s, P45s, P46s, P60, End of Year Returns

- Statement issued to employer each month with total tax due based on submissions
- Statement deemed as return if no corrections made by return due date
- New employees (P45/P46) set up in payroll and on Revenue
- Payroll Notification requested will commence the employment
- Payroll submissions by employers will include commencement and cessation dates
- End of Year Returns (P35) - each month stands as a statutory return. No option to tidy up at year end
- For 2019 there will no longer be an obligation on employers to provide P60 to employees

Payroll Reporting Options

Payroll Reporting Options

Payroll Software

- Direct Payroll Reporting- payroll software communicates with Revenue seamlessly
- ROS Payroll Reporting- Upload files created by payroll software through ROS

No Payroll Software

- Employer must request an RPNs and complete an online form to record pay and payroll deductions for employees through ROS

Direct Payroll Reporting

Direct Payroll Reporting

- On starting the payroll your software will:
 - Request Revenue Payroll Notifications (RPN) for all employees
 - Request RPNs for any new employees who have not been paid before
 - Payroll software will use the details returned in the RPN to calculate statutory deductions for each employee
- Payroll software will send Revenue details of each employee with their pay and statutory deductions.
- Start and end date for an employee are sent as part of the payroll submission.
- Revenue send payroll software a response containing the total liability for that payroll submission and highlight any errors if applicable

Submit payroll by online form

MY SERVICES

REVENUE RECORD

PROFILE

WORK IN PROGRESS

ADMIN SERVICES

No current tax clearance certificate.

My Frequently Used Services

Add a service 

MyEnquiries

Employer Services

Revenue Payroll
Notifications (RPNs)

[Request RPNs](#)

Payroll

[Submit payroll](#)

[View payroll](#)

Returns

[Statement of Account](#)

Additional Services

[PPS Number Checker](#)

[PAYE Modernisation
Information](#)

File a Return

Complete a Form Online

Upload Form(s) Completed Offline

[← Back](#)

Select an employee

Please select an employee to whom a payment is being made. If you have a new employee, you will first need to request an RPN in order to make the correct deduction.

Search by PPS number:

[Search](#)

[Clear filter](#)

PPS number	Employee name	Employment ID	Employment start date	Action
1245274P	JOE MURPHY	1	01/01/2014	Select
6327302Q	MARY SMITH	2	29/08/2018	Select

[My employee is not on the list →](#)

[← Back](#)

Select a pay frequency

Please input the pay frequency and expected number of pay periods in the year for this employee.

First name

JOE

Family name

MURPHY

PPS number

1245274P

Employment ID ⓘ

1

Pay frequency

Monthly ▼

Cancel

Next →

[← Back](#)

Submission item

Revenue Payroll Notification (RPN)

[View RPN](#)

RPN Number	3	RPN issue date	10/09/2018
Income tax calculation basis	Cumulative	Yearly Tax Credits	€3,300.00
Tax Rate 1	20%	Yearly standard rate cut off point	€34,550.00
Tax Rate 2	40%		

Please complete/update all relevant sections below.

Employee details

[Update](#)

Employee name	JOE MURPHY	PPS number	1245274P
Employment ID	1	Employer reference	-
Employment start date	01/01/2014	Date of leaving	-
Pay frequency	Monthly		
Directorship	None	Shadow payroll	No

I confirm these details are correct

☐

Pay & deductions

[Update](#)

Pay date	-		
Gross pay	-	RPN number used	3
Pay for Income tax	-	Income Tax paid	-
Pay for USC	-	USC Paid	-
PRSI Class 1	-	Insurable weeks 1	-
Pay for Employee PRSI	-	Employee PRSi paid	-
Pay for Employer PRSI	-	Employer PRSi paid	-
LPT Deducted	-		

I confirm these details are correct

☐

Online Manual Submission

Pay & deductions

Pay date ⓘ

DD/MM/YYYY

Gross pay ⓘ

RPN number ⓘ

Pay for Income Tax ⓘ

Income Tax paid ⓘ

USC status

☒ Ordinary ☐ Exempt

Your employee is deemed ordinary in the paying of Universal Social Charge (USC) for the current year if their total estimated income, excluding all payments from the DEASP, will exceed €13,000.

Pay for USC ⓘ

Online Manual Submission

PRSI class, subclass & insurable weeks

PRSI class & subclass	Number of insurable weeks	Action
AL	1	Remove
Add additional PRSI class, subclass & number of insurable weeks		

Pay for employee PRSI ⓘ

Employee PRSI paid ⓘ

Pay for employer PRSI ⓘ

Employer PRSI paid ⓘ

LPT deducted ⓘ

Cancel

Save →

Other pay & deductions

[Update](#)

Gross medical insurance paid by employer	-	Share based remuneration	-
Taxable lump sum	-	Non-taxable lump sum	-
Taxable benefits	-	Pension tracing number	-
Employer contribution to RBS scheme	-	Employee contribution to RBS scheme	-
Employer contribution to PRSA scheme	-	Employee contribution to PRSA scheme	-
Employee contribution to RAC scheme	-	Employee contribution to AVC scheme	-
Employee contribution to ASC scheme	-		

I confirm these details are correct

☐[← Back](#)[Save →](#)

[Revenue Home](#) | [Accessibility](#) | [System Requirements](#)

[Terms & Conditions](#) | [Privacy Policy](#) | [Certification Policy Statement](#) | [Certification Practice Statement](#)

Language: [Gaeilge](#)

[← Back](#)

Submission item

Revenue Payroll Notification (RPN)

[View RPN](#)

RPN Number	1	RPN issue date	21/06/2018
Income tax calculation basis	Cumulative	Yearly Tax Credits	43,300.00
Tax Rate 1	20.00%	Yearly standard rate cut off point	434,500.00
Tax Rate 2	40.00%		

Please complete/update all relevant sections below.

Employee details

[Update](#)

Employee name	JOE MURPHY	PPS number	1245274P
Employment ID	1	Employer reference	-
Employment start date	01/01/2014	Date of leaving	-
Pay frequency	Monthly	Shadow payroll	No
Directorship	None		

I confirm these details are correct ☒

Pay & deductions

[Update](#)

Pay date	16/06/2018	Gross pay	43,300.00
Pay for Income tax	43,300.00	Income Tax paid	411.750
Pay for USC	43,300.00	USC Paid	463.92
PRSI Class 1	A1	Insurable weeks 1	4
Pay for Employee PRSI	43,300.00	Employee PRSI paid	4700.00
Pay for Employer PRSI	43,300.00	Employer PRSI paid	4266.75
		LPT Deducted	40.00

I confirm these details are correct ☒

Other pay & deductions

[Update](#)

Gross medical insurance paid by employer	-	Share based remuneration	-
Taxable benefits	-	Non-taxable lump sum	-
Taxable lump sum	-		
Pension tracing number 1	-		
Employer contribution to RBS scheme	-	Employee contribution to RBS scheme	-
Employer contribution to PRSA scheme	-	Employee contribution to PRSA scheme	-
Employee contribution to RAC scheme	-	Employee contribution to AVC scheme	-
Employee contribution to ASC scheme	-		

I confirm these details are correct ☒[← Back](#)[Save →](#)

Payroll Reporting



Thank you

Your payroll run reference is: **PR-20180828-0834050**

Your submission ID is: **1**

You can view details of your payroll run and submission using the "View payroll" screens.

You may wish to print this screen to keep a record of your payroll run reference and submission ID for future correspondence.

[Return to ROS](#)

[Print screen](#)

[View payroll run](#)

View Payroll Run

[ROS homepage](#)

View payroll

[Make a new submission](#)

Search by

Payroll run reference

Tax year

2018

Payroll run reference

August_demo_02

Search

Recent payroll runs

The following payroll runs were recently submitted / updated.

Payroll reference: 25145

[Download payroll run summary](#)

Payroll run details

Status: Processed

Last updated: 28/08/2018

Tax year: 2018

Total PAYE deductions

Income Tax: €150.00

PRSI: €250.00

USC: €40.00

LPT: €0.00

Submission summary

Active items: 1

Payroll submissions: 2

[View active items](#)

Recent submissions

Date submitted	Submission ID	Active items	Warnings	Deleted items	Invalid items	Income Tax	PRSI	USC	LPT	Status	Action
28/08/2018	47851246	0	0	0	0	€1,000.00	€40,000.00	€20,000.00	€20,000.00	Completed	View

Payroll submission

These are the results from your payroll submission. Please download the response file for further information.

Submission ID: sub_02

[Download payroll submission response](#) +

Submission results

Status: Completed 
Payroll reference: [August demo 02](#)
Date submitted: 28/08/2018
Tax year: 2018

Total PAYE deductions

Income Tax: €500.00
PRSI: €250.00
USC: €38.00
LPT: €70.00

Submission items

Additions: 1
Corrections: 1
Deletions: 0
Invalid: 1

Invalid items

These submission items were **not processed** and need to be corrected.

Line item ID	PPS number	Employment ID	Employer reference	Pay date	Error	Action
000003	9463839C	1	test	01/01/2018	• Duplicate line item ID in payroll submission	View

Additions

These items were added to the payroll run and are included in the total PAYE deductions for this submission.

Line item ID	PPS number	Employment ID	Employer reference	Pay date	Income Tax	PRSI	USC	LPT	Action
0000015	9463839C	1	test	01/01/2018	€400.00	€200.00	€30.00	€60.00	View
• Warning - Out-of-date RPN used.									

Corrections

These items were corrected in the payroll run and are included in the total PAYE deductions for this submission.

Line item ID	PPS number	Employment ID	Employer reference	Pay date	Income Tax	PRSI	USC	LPT	Action
000002-C	9463839C	1	test	01/01/2018	€400.00	€200.00	€30.00	€60.00	View
Previous item:									
000002	9463839C	1	test	01/01/2018	€300.00	€150.00	€22.00	€50.00	View

Payroll run

These are your payroll run details. Please download the payroll run summary for further information.

Payroll reference: run12345

[Download payroll run summary](#) ↕

Payroll run details

Status: Processed

Last updated: 24/05/2018

Tax year: 2018

Total PAYE deductions

Income Tax: €13,500.00

PRSI: €18,000.00

USC: €3,560.00

LPT: €2,500.00

Submission summary

Active items: 50

Payroll submissions: 1

Recent submissions

Date submitted	Submission ID	Active items	Warnings	Deleted items	Invalid items	Income Tax	PRSI	USC	LPT	Status	Action
24/05/2018	submission12345	50	0	0	7	€13,500.00	€18,000.00	€3,560.00	€2,500.00	Completed	View

Payroll submission

These are the results from your payroll submission. Please download the response file for further information.

Submission ID: submission12345

[Download payroll submission response](#) ↓

Submission results

Status: Completed

Payroll reference: run12345

Date submitted: 24/05/2018

Tax year: 2018

Total PAYE deductions

Income Tax: €13,500.00

PRSI: €18,000.00

USC: €3,560.00

LPT: €2,500.00

Submission items

Active: 50

Warnings: 0

Deleted: 0

Invalid: 7

^ Invalid items

These submission items were not processed and need to be corrected.

Submission ID	Line item ID	PPS number	Employment ID	Employer reference	Income Tax	PRSI	USC	LPT
submission12345	LineItem1_bret qndwu_44923	07005178LA	325	ktjelfkdp8223 6	€270.00	€360.00	€71.20	€50.00
submission12345	LineItem1_bilhe cpadnu_63384	07005178LA	325	ruqslqkdpd119 96	€270.00	€360.00	€71.20	€50.00

Statement

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Welcome to your Online Statement of Account

This information is accurate as of 30/04/18 T129 for PAYE-Emp only, as applicable.
Please note returns/payments may take 3-5 working days to appear on this Statement.

Tax Type Details

PAYE-EMP

[Registration Details](#)

Tax Type	Reg No.	Status
PAYE-EMP	3390236PH	Return Due & Payment Due

Period Details

The period details breakdown/search will show information from the previous seven complete tax years and the current tax year and is applicable to PAYE-EMP only.

[Search](#)

	Start Date	End Date	Payment Due Date	Liability €	Collections €	Balance €	Status	Action
<div> ↓ 2019 <div>Action Required</div> </div>								
→ Monthly Statement	01/04/2019	30/04/2019		414.00 *	0.00	0.00	Due	View/Accept
→ Monthly Return	01/03/2019	31/03/2019	23/04/2019	570.00	0.00	570.00	Accepted	View Return or Make Payment
→ Monthly Return	01/02/2019	28/02/2019	23/03/2019	0.00	0.00	0.00	Accepted	View Return
→ Monthly Return	01/01/2019	31/01/2019	23/02/2019	100.00	0.00	100.00	Deemed	View Return or Make Payment

* Liability is only established when a statement has been accepted or deemed a return

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Monthly Employer PAYE Return Submission (3390236PH)

This information is accurate as of 30/04/2018 10:43:14.

Summary Details

Income Tax	€	250.00
PRSI (Employer & Employee)	€	89.00
USC	€	55.00
LPT	€	20.00
Total	€	414.00

Period Details

Period:	01/04/2019 - 30/04/2019
Status:	DUE
Due Date:	14/05/2019

Payroll Details

Only payroll figures with pay dates in the selected month are included in this period's totals.

To download the Return Summary for the period in XML format click [here](#).

To download the Return Summary for the period in JSON format click [here](#).

Declaration

☐

I agree with the summary above.

☒ The acceptance of this return certifies and declares that all the payroll data you submitted is complete and true and is an accurate reflection of the emoluments made to your employees in this period.

Submit 

PPSN Checker

PPS Number Checker

[← ROS Homepage](#)

Enter the details required below to check that the PPS Number supplied is the correct PPS Number for your employee/pension recipient. Click the Submit button to send the information to be checked against Revenue records. To check additional PPS Numbers, click the Add Employee button. A maximum of 10 PPS Numbers can be checked at any one time. * indicates a mandatory field

[Employee 1](#) ✖ >

Employee 1

First name *

Surname *

PPS Number *

Address Line 1

Address Line 2

Employees- Family and Children

Employing Family

- An employer is responsible for informing Revenue on the tax due for all his/her employees, regardless of relationship to employee.
- All employees are liable to pay PAYE if they are earning more than €9 a month part time/ €36 per month full time
- Revenue strongly recommends that employers check the relevant employment law in regards to hours children may work/pay rates for 14-17 year olds.

Contract Of Service v Contract For Service Employee or Contractor

Employee V Contractor

- **Farming:- Payments to employees or contractors?**
- All payments made to employees must be subjected to PAYE/PRSI/USC deductions .
- Payment to contractors are not subject to these deductions.
- Deciding whether an individual is an employee or a contractor depends on the facts of each case.
- **‘Code of Practice for Determining Employment or Self-Employment Status of Individuals’.**
- More information on Revenue website - ‘revenue.ie’.

Employee

In general if a farmer has **control** over the work to be carried out:

- supply their labour only (occasionally some small tools)
- any tasks associated with day-to-day farm work,
- the hours to be worked
- start and finish times
- rate of pay per hour, day, week or month

All of these indicate that the worker is an **employee**.

Contractor

- A contractor would be expected to supply all the necessary materials, machinery and labour
- Farmer has no control i.e. how many machines or staff the contractor will use
- Redress for any bad work or damage caused by the contractor
- Contractor carries financial risk
- Farmer and the contractor will agree the overall payment for the job, or a rate per acre etc.
- Contractor issues an invoice for this amount when the work is completed, payment of the contractors employees are a matter for the contractor

Labour supplied through Agency

- Labour supplied to farmers through an 'agency' such as the Farm Relief Services are not direct employees of a farmer, they are employees of the agency.
- Farmers will treat the agency as a contractor and pay on foot of the invoice the agency provides.

Net pay arrangement

- Net pay arrangements should not be agreed, they can leave the farmer exposed to an additional liability due to reallocation of credits by the employee.
- If incorrect tax credits and rates are already allocated – you as the employer could be liable for any shortfall
- Always deduct tax based on the Revenue Payroll Notification
- Ensures that correct tax deductions are made by you
- The RPN is available in real time – able to see credit and rates available for that employee

Information

Information

- Regular updates on revenue.ie

Employing people Information for employers about your tax obligations when you hire and pay employees and when employment ends. Popular topics Travel and subsistence Flat-rate expense allowances Private use of company cars	
Becoming an employer and ongoing obligations	Hiring an employee
What constitutes pay?	Paying an employee
Paying your employees' tax to Revenue	Benefit in kind (BIK) for employers
Employee expenses	Shares for employees
Employers' notices	Taxation of social welfare payments - Illness Benefit (IB)
Universal Social Charge (USC)	Employment related tax returns and forms
When an employment ends	PAYE modernisation

- Monthly external stakeholder update meetings
- Questions\feedback to payemodernisation@revenue.ie