

# **PAYE Modernisation**

Service User Group

18<sup>th</sup> May 2023

# Revenue

Cáin agus Custaim na hÉireann  
Irish Tax and Customs



The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.

# Agenda

- Live Update
- PIT Update
- PEPP
- Data Integrity Project Update
- Technical Enhancement Update
- Actions
- AOB

# Live Update

## Live Update (as at 15/05/23)

- Total Submissions 2023 - > 2,548,000
  - Submitted by Agents\* 61%
  - Direct Payroll Reporting 93%
  - ROS Payroll Reporting 1%
  - ROS Manual Input 6%
- Submitting Employers 2023 - > 179,000
- Submitting Employers for May - > 109,100

\* This figure was reported as 39% in April. This is not correct and was caused by an issue in the reporting application. Submitting agents has been in the range of 59%-62% each month of 2023.

## Breakdown of line items received via ROS

- Total payslips received in 2023: 33,265,400
  - Received via OPA – 1%
  - Number received via payroll software – 99%
- Total Correction Count in 2023: 410,500
  - OPA Correction Count – 13%
  - Payroll Software correction count: – 87%

# Breakdown of Submitting Employers via ROS

- Total Submitting Employers in 2023 : 179,000
  - Number submitting via OPA without software – 7%
  - Number submitting via payroll software – 96%
- Please note, if an employer ever submitted manually via OPA then they are included in the first counts above. Therefore, there is double counting in these figures and submitting manually via OPA may not be the customer's BAU activity.

# Employee Metrics

- Number of 2022 SOLs issued: 964,525
  - This is a 11% increase on the same period last year.



# PMOD service impact

- Tuesday 9<sup>th</sup> May
  - There was a live outage on Tuesday 9<sup>th</sup> of May between 11:21 and 11:50am.
  - This issue was related to a failover at an infrastructural level.
  - An incident review has taken place with actions identified by the EA team.

# PMOD service impact

- Wednesday 10<sup>th</sup> May
  - There was a live outage on Wednesday 10<sup>th</sup> of May between 12:02 and 12:25pm.
  - This issue was related to a virtual server upgrade.
  - An incident review has taken place with mitigation actions identified.

# PIT Update

# PIT Activity

- Open tickets -> 8
- Closed tickets -> 2763
- Users -> 432
- Companies -> 210

**PEPP**

# Pan-European Personal Pension Product

- Pan-European Personal Pension Product fields needs to be added to the payroll submissions for 2024.
- A CR will be raised and brought to the SURG for approval which will cover the changes, PIT release dates and production release dates.
- Draft changes are:

Data Item	Condition	Description and validation	Context
Amount contributed by Employer to PEPP scheme	Conditional	Amount contributed by Employer to PEPP scheme for the Employee. This is mandatory if applicable.	Statutory reporting requirement.
Amount contributed by Employee to PEPP scheme	Conditional	Amount contributed by Employee to PEPP scheme. This is mandatory if applicable.	Statutory reporting requirement. Also required when calculating tax relief due when an individual submits a claim for tax relief on contributions not relieved by the employer under the net pay arrangement.

# Data Integrity Project Update

# Data Integrity Update

- March 2023 Report Cards have issued
- Report cards included statistics on all PRSI Insurable Weeks tests 1-5
- April 2023 Report Cards will be issued shortly
- Looking at the data we can see the following:



# 2023 Payslips YTD March Data

- Decrease in the majority of tests and most of the increases are minimal.

Period	Test 1- Emergency Tax basis but no IT Paid	Test 2- Emergency Tax Basis with RPN Reported	Test 6-Gross Pay < Pay for Income Tax	Test 7-Gross Pay < Pay for USC	Test 14-USC Exempt but USC Paid
January	937	631	2462	7910	704
February	2067	1970	13561	22286	1068
March	2914	1464	8424	26664	896
% change from Jan-Mar	+41%	-26%	-38%	+20%	-16%

Period	Test 16-Pay for USC < Pay for Income Tax	Test 19- Negative Gross Pay	Test 20-Pay for USC not = Pay for Employee PRSI	Test 22-no PPSN but USC Paid < 8%	Test 23-no PPSN but Income Tax Paid < 40%
January	11867	1464	22478	358	0
February	29995	7157	52006	4668	4667
March	30796	5578	74724	932	906
% change from Jan-Mar	+3%	-22%	+44%	-80%	-81%

# PRSI Insurable Weeks

- Tests 1-5
- These figures are for March only

	Test 1-Weekly- Insurable Weeks > 3 AND < 52	Test 2-Fortnightly- Insurable Weeks > 4 AND < 52	Test 3-Monthly- Insurable Weeks > 6 AND < 52
Software Payslips (%)	983(78%)	868(99%)	27416(98%)
OPA Payslips (%)	283(22%)	6(1%)	573(2%)
Totals	1266	874	27989

	Test 4-All Frequencies*- Insurable Weeks >= 52	Test 5-All Frequencies- Gross Pay = 0 AND Pay for IT = 0 AND insurable weeks >0
Software Payslips (%)	164(64%)	12940(94%)
OPA Payslips (%)	94(36%)	772(6%)
Totals	258	13712

\*Annual Pay Frequency not  
included

# PRSI Insurable Weeks Tests 1-5

Comparing February to March, we see slight increases in the failures with the exception of Test 3 where there was a large increase and Test 4 where there was a decrease

Month	Test 1-Weekly-Insurable Weeks > 3 AND < 52	Test 2-Fortnightly-Insurable Weeks > 4 AND < 52	Test 3-Monthly-Insurable Weeks > 6 AND < 52
January	823	196	1606
February	996	561	2359
March	1266	874	27989

Month	Test 4-All Frequencies*-Insurable Weeks >= 52	Test 5-All Frequencies-Gross Pay = 0 AND Pay for IT = 0 AND insurable weeks >0
January	1533	16508
February	1099	11736
March	258	13712

\*Annual Pay Frequency not included

# Unlinked Payslips

March 2023- A decrease in the amount of unlinked payslips and employers submitting these payslips

2023	Payslip Count	Employer Count
January	20,708	3,379
February	26,578	3,292
March	16,427	2,747

# Technical Enhancement Update

# Technical Enhancements Summary

Action	Status
Enhance the stability of the PIT environment in 2022	Analysis ongoing for the data decollation process in PIT.
Develop proactive monitoring of production environment.	Analyse phantom locking and solutions for monitoring.
Publicly accessible portal for notification of PMOD downtime/outages.	Investigating options ongoing.

# Enhanced Reporting Requirements

# Enhanced Reporting Requirements

- Section 897C of the TCA was introduced in Finance Act 2022 requiring employers to report to Revenue details of certain expenses/benefits made to employees and/or directors
- Phase 1 includes:
  - Travel & Subsistence
  - Small Benefit Exemption
  - Remote Working Daily Allowance
- A separate ERR SUG has been set up to engage with technical stakeholders. Contact Diarmuid if you require an invite.



# Actions

# Actions Update

Action	Responsibility	Update
Feedback on Corrections process suggestions.	Revenue	Feedback received. Revenue recently published an updated Compliance Intervention Framework and following on from this work they are also preparing guidance specific to payroll and PMOD corrections. This work was delayed but is currently underway, however there is not a definitive timeline for its release.
Provide worked examples for: <ul style="list-style-type: none"> <li>• PRSI Insurable Weeks/Class</li> <li>• Illness Benefit</li> <li>• ASC Payments/Refunds</li> </ul> And submissions under the following headings: <ul style="list-style-type: none"> <li>• ER PRSA Contributions</li> <li>• ER AVC Contributions</li> </ul>	Revenue	In progress, dependent on guidance specific to payroll and PMOD corrections.
Provide further clarification on Temporary BIK changes 2023 <ul style="list-style-type: none"> <li>• PRSI refunds</li> <li>• Ceased employments</li> </ul>	Revenue	In progress.

# Actions Update

Action	Responsibility	Update
Clarification on operation of linking unlinked payslips.	Revenue	<p>If an employer has made payroll submissions without the employees PPSN, they must take action to ensure the matching process used by Revenue is successful when they are provided with the employees PPSN.</p> <p>Programmatically, employee first name, family name and Employment Reference Number are used in an exact match to link the payslips.</p> <p>If manually matching is required employee first name, family name, Employment Reference Number, DOB and employee address are used to determine a match and link payslips.</p>
Update Revenue published documentation with clarification on unlinked matching process	Revenue	<p>Documentation will be shared with SUG on the 25<sup>th</sup> of May.</p> <p>Documentation is scheduled to be released publicly in English and Irish on the 1<sup>st</sup> of June.</p>

# Actions Update

Action	Responsibility	Update
Revenue to revert with guidance on how employers might identify unlinked payslips.	Revenue	Employers can request a list of unlinked payslips from Revenue.
Revenue to confirm that XT and Z are invalid second check characters in all cases for PPSN numbers. Revenue to provide a breakdown of payslips submitted with these dummy PPSNs via software or OPA.	Revenue	No PPSNs with XT or Z second check characters are registered for PAYE. Analysis ongoing to provide submission breakdown between software and OPA channels.

**AOB**

# AOB

- SUG meeting schedule 2023
  - 3<sup>rd</sup> Thursday of the Month @11:00
    - *June 15th*
    - *July 14th*