

PAYE Modernisation

Service User Group

15th June 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 13/06/23)

- Total Submissions 2023 - > 3,092,000
 - Submitted by Agents 62%
 - Direct Payroll Reporting 93%
 - ROS Payroll Reporting 1%
 - ROS Manual Input 6%
- Submitting Employers 2023 - > 181,600
- Submitting Employers for June - > 100,800

Breakdown of line items received via ROS

- Total payslips received in 2023: 40,857,400
 - Received via OPA – 1%
 - Number received via payroll software – 99%
- Total Correction Count in 2023: 463,300
 - OPA Correction Count – 13%
 - Payroll Software correction count: – 87%

Breakdown of Submitting Employers via ROS

- Total Submitting Employers in 2023 : 181,600
 - Number submitting via OPA without software – 8%
 - 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: 1,017,396
 - This is a 11% increase on the same period last year.

PIT Update

PIT Activity

- Open tickets -> 6
- Closed tickets -> 2780
- Users -> 437
- Companies -> 213
- Fallout from the environment wide PIT4 scheduled release on the 1/06 which blocked access to the environment. This was resolved on the 8/06. Root cause analysis and identification of mitigation actions is ongoing.

PEPP

Pan-European Personal Pension Product

- Pan-European Personal Pension Product fields needs to be added to the payroll submissions for 2024.
- Draft CR will be issued to SURG on 20/06. The SURG meeting to approve CR will be scheduled for the 29th June.
- 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

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

2023 Payslips YTD April Data

- Increase in all tests though they are minimal and in line with expectation

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
April	3239	1642	9122	31237	1025
% change from Mar-Apr	11%	12%	8%	17%	14%

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
April	32493	6407	89578	955	932
% change from Mar-Apr	5%	15%	20%	2%	3%

PRSI Insurable Weeks

- Tests 1-5
- These figures are for April 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 (%)	950(81%)	532(99%)	2203(77%)
OPA Payslips (%)	226(19%)	5(1%)	634(23%)
Totals	1176	537	2837

	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 (%)	135(68%)	11713(94%)
OPA Payslips (%)	63(32%)	785(6%)
Totals	198	12498

*Annual Pay Frequency not included

PRSI Insurable Weeks Tests 1-5

Comparing March to April, we see slight decreases in all failures. There was a particularly large decrease for Test 3.

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
April	1176	537	2837

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
April	198	12498

*Annual Pay Frequency not included

Unlinked Payslips

April 2023- Another decrease in the amount of unlinked payslips and a small increase in the amount of employers submitting these payslips

2023	Payslip Count	Employer Count
January	20,708	3,379
February	26,578	3,292
March	16,427	2,747
April	14,683	2,760

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">• PRSI Insurable Weeks/Class• Illness Benefit• ASC Payments/Refunds And submissions under the following headings: <ul style="list-style-type: none">• ER PRSA Contributions• ER AVC Contributions	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">• PRSI refunds• Ceased employments	Revenue	In progress.

Actions Update

Action	Responsibility	Update
Update Revenue published documentation with clarification on unlinked matching process	Revenue	Draft documentation has been shared with payroll SUG. Once translated to Irish it will be published.
Revenue to revert with guidance on how employers might identify unlinked payslips.	Revenue	To be reviewed for next meeting.
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
 - 3rd Thursday of the Month @11:00
 - *June 15th*
 - *July 14th*