

PAYE Modernisation

Service User Group
20th July 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
- Enhanced Reporting Requirements
- Actions
- AOB

Live Update

Live Update (as at 18/07/23)

- Total Submissions 2023 - > 3,775,000
 - Submitted by Agents 63%
 - Direct Payroll Reporting 93%
 - ROS Payroll Reporting 1%
 - ROS Manual Input 6%
- Submitting Employers 2023 - > 184,700
- Submitting Employers for July - > 111,800

Breakdown of line items received via ROS

- Total payslips received in 2023: 49,973,400
 - Received via OPA – 1%
 - Number received via payroll software – 99%
- Total Correction Count in 2023: 553,100
 - OPA Correction Count – 13%
 - Payroll Software correction count: – 87%

Breakdown of Submitting Employers via ROS

- Total Submitting Employers in 2023 : 184,700
 - Number submitting via OPA without software – 9%
 - 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: 1,079,301
 - This is a 11% increase on the same period last year.

PMOD service impact

- Revenue provides a wide range of complex services to its broad customer base across tax and customs. Availability and performance of these services are a top priority for Revenue.
- Service maintenance and upgrades are required across all levels of infrastructure on an ongoing basis to ensure availability levels but this work is not without risk.
- Every endeavour is made to minimise these risks and lessons are learned from fallout for future tasks.
- We appreciate your patience and understanding during the outages experienced in the last two months.
- Monday 26th June
 - ROS was offline between 09:00am and 13:00pm.
 - This impacted on the file Upload and OPA screens.
 - An incident review has taken place and a preventative fix was released on 29th June.

PMOD service impact

- Thursday 29th June
 - ROS was offline between 11:00 and 12:30pm.
 - This impacted Payroll & RPN services.
 - An incident review has taken place with mitigation action identified.
- Thursday 6th July & Monday 10th July
 - There was a partial outage on Thursday 6th July between 17:10pm and 17:50pm and on Monday 10th July between 09:00am and 10:15am.
 - This impacted Payroll & RPN services.
 - An incident review has taken place with mitigation action identified.
 - The migration actions will be carried out by the PAYE Live team.

PIT Update

PIT Activity

- Open tickets -> 5
- Closed tickets -> 2801
- Users -> 447
- Companies -> 221

PEPP

Pan-European Personal Pension Product

- CR has been approved by Revenue and SUG group.
- Payroll documentation has been updated on GitHub on the 19/07
<https://revenue-ie.github.io/pay-employers-documentation/>
- The PEPP changes have been released to PIT4 on the 19/07.

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

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

2023 Payslips YTD May Data

- Increase in all tests. All of these figures are still lower than May 2022.

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
May	4480	2176	13746	45132	1272
% change from Apr- May	38%	33%	51%	44%	24%

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
May	37540	9482	124097	1356	1308
% change from Apr- May	16%	50%	39%	42%	40%

PRSI Insurable Weeks

- Tests 1-5
- These figures are for May 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 (%)	1004(83%)	525(99%)	2337(81%)
OPA Payslips (%)	199(17%)	7(1%)	553(19%)
Totals	1203	532	2890

	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 (%)	136(61%)	11666(95%)
OPA Payslips (%)	87(39%)	634(5%)
Totals	223	12300

*Annual Pay Frequency not
included

PRSI Insurable Weeks Tests 1-5

Comparing April to May, we see both slight increases and decreases across the various tests.

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
May	1203	532	2890

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
May	223	12300

*Annual Pay Frequency not included

Unlinked Payslips

May 2023- An increase in the amount of unlinked payslips and 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
May	17,739	3,091

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. 20 th July 2023: An update is due to issue on this in the next 2 weeks.
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. Response to be issued in the next 2 weeks.
Provide further clarification on Temporary BIK changes 2023 <ul style="list-style-type: none"> • PRSI refunds • Ceased employments 	Revenue	A supplementary submission is to be made (using the final pay date currently on record) showing a reduction in the relevant "Gross pay, Taxable Benefits and Pay For" fields only, "Paid" fields (e.g. IT Paid) are not to be adjusted by the employer. Employer is to contact DSP for refund of PRSI (if any).

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	Guidance to be circulated.
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**
 - *July 20th*
 - *August 17th*
 - *September 21st*
 - *October 19th*
 - *November 16th*
 - *December 21st*