

# **PAYE Modernisation**

Service User Group  
20<sup>th</sup> April 2022

# 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
- Employers using dummy PPSNs
- Temporary BLK changes 2023
- Data Integrity Project Update
- Technical Enhancement Update
- Actions
- AOB

# Live Update

## Live Update (as at 18/04/23)

- Total Submissions 2023 - > 2,031,500
  - Submitted by Agents\* 39%
  - Direct Payroll Reporting 93%
  - ROS Payroll Reporting 1%
  - ROS Manual Input 6%
- Submitting Employers 2023 - > 176,000
- Submitting Employers for April - > 108,800

\* This figure was reported at 61% previously. There has not been a drop in agents, but rather a reporting issue in previous slides where the number reported was the submissions **not** by agents.

## Breakdown of line items received via ROS

- Total payslips received in 2023: 26,556,300
  - Received via OPA – 1%
  - Number received via payroll software – 99%
- Total Correction Count in 2023: 350,000
  - OPA Correction Count – 13%
  - Payroll Software correction count: – 87%

# Breakdown of Submitting Employers via ROS

- Total Submitting Employers in 2023 : 176,000
  - 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: 903,900
  - This is a 13% increase on the same period last year.



# PMOD service impact

- Tuesday 11<sup>th</sup> April
  - It was identified on the 11<sup>th</sup> that fallout from a release the previous week was preventing approximately 75,000 statements from issuing to employers.
  - This issue was addressed as a priority by the live support team and the issue was resolved on the 13<sup>th</sup> April.
  - An incident review has taken place with mitigation action identified and scheduled.

# PIT Update

# PIT Activity

- Open tickets -> 4
- Closed tickets -> 2753
- Users -> 427
- Companies -> 206

# Employers using dummy PPSNs

# Employers using *dummy* PPSNs

- Data analysis has identified that a number of employers are using dummy or fake PPSN. In particular it has been noticed the use of W,X,T or Z as the last check character in these fake PSSNs.
- If the PPSN is unknown at the point of submitting payroll then the standard process should be used as per 19.4 in the employer guide.
- <https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-42/42-04-35a.pdf>

# Temporary BLK changes 2023

# Temporary BLK changes 2023

- FB 2023 provides for a reduction of €10000 in the OMV of vehicle categories A, B, C, & D
- Also applies to vans & electric vehicles
- FB also provides for 4000 reduction in highest mileage band
- Highest mileage band now reduced to 48001
- Employees travelling high mileage will enter the higher band sooner, thus benefitting from a lower %
- Measures apply to 2023 only and can be applied retrospectively to 1 January 2023
- See Tax & Duty Manual, [part 05-01-01b](#) for full details.

# Data Integrity Project Update



# Data Integrity Update

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

# 2023 Payslips YTD February Data

- Increase in all tests, though most of these increases are in line with the increases that occurred from Jan 2022 to Feb 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
% change from Jan-Feb	121%	212%	451%	182%	52%

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
% change from Jan-Feb	153%	389%	131%	1168%	46670%

# PRSI Insurable Weeks

- Tests 1-5
- These figures are for February 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 (%)	766(77%)	556(99%)	1666(71%)
OPA Payslips (%)	230(23%)	5(1%)	693
Totals	996	561	2359

	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 (%)	760(43%)	10954(93%)
OPA Payslips (%)	999(57%)	782(7%)
Totals	1759	11736

\*Annual Pay Frequency not included

# PRSI Insurable Weeks Tests 1-5

Comparing January to February we see slight increases in failures of Tests 1-3 and reductions for Tests 4 and 5

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

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	1759	11736

\*Annual Pay Frequency not included

# Unlinked Payslips

February 2023- A slight increase in unlinked payslips but there is a also a decrease in the number of employers submitting these payslips

2023	Payslip Count	Employer Count
January	20,708	3,379
February	26,578	3,292

# 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.	Complete. Monitoring ongoing for H1 2023 to determine if further proactive tuning required.
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	

# Actions Update

Action	Responsibility	Update
Clarification on operation of linking unlinked payslips.	Revenue	If an employer has made payroll submissions without the employees PPSN, they must take actions to ensure the matching process used by Revenue is successful when they are provided with the employees PPSN. On receipt of the PPSN, the employer will need to ensure that the employees name, Date of Birth and Employment Reference Number previously used for reporting payroll matches (exact match) those details on the submission being made reporting the PPSN for the first time. If the name, DOB and ERN is not matching on all previous submissions these payslips will remain unlinked until corrected by the Employer. Any errors in the spelling of the first or second name and/or DOB must then be correct going forward on all future submissions.
Update Revenue published documentation with clarification on unlinked matching process	Revenue	

# Actions Update

Action	Responsibility	Update
Revenue to revert with guidance on how employers might identify unlinked payslips.	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 of OPA.	Revenue	

**AOB**

# AOB

- SUG meeting schedule 2023
  - 3<sup>rd</sup> Thursday of the Month @11:00
    - *May 18th*
    - *June 15th*