



INSTITUTE OF DIRECTORS  
IN IRELAND



# Payroll Briefing

15 August 2018

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PAYE MODERNISATION CHANGE  
MANAGER, REVENUE  
COMMISSIONERS

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AND COMPLIANCE

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TAX MANAGER  
EMPLOYMENT TAX AND GLOBAL  
MOBILITY SERVICES



INSTITUTE OF DIRECTORS  
IN IRELAND



# WELCOME



INSTITUTE OF DIRECTORS



# **PAYE Modernisation Institute of Directors August 15<sup>th</sup> 2018**

# Background & Design Principles

# Why modernise PAYE?

Changing nature of:

- Employments
- Payroll
- Information and communications technology
- Expectations

# PAYE Modernisation



EMPLOYER

**S**eamless integration into payroll

**M**inimize employer cost to comply

**A**bolition of P30s, P45s, P46s, P60,  
End of Year Returns

**R**ight tax paid on current due dates

**T**ime savings



EMPLOYEE

**S**implified online services

**M**aximise use of entitlements

**A**utomatic end of year review

**R**ead time accurate data

**T**ransparency



**S**tatutory in-year employer return

**M**aking compliance easier

**A**ccurate up to date income details

**R**educed customer contacts

**T**imely targeted interventions

# Context

# Employee/Employer Statistics May 2018

## Employees

- 2.8m active employments (includes pensions)
- 256,000 employees >1 live employment
- Multiple employments with the same employer

## Employers

- 219,000 employers
- 111,000 employers with  $\leq 5$  employees
- 98% File through ROS



# **PAYE: Current Employer 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

# **Legislative Framework – Finance Act 2017**

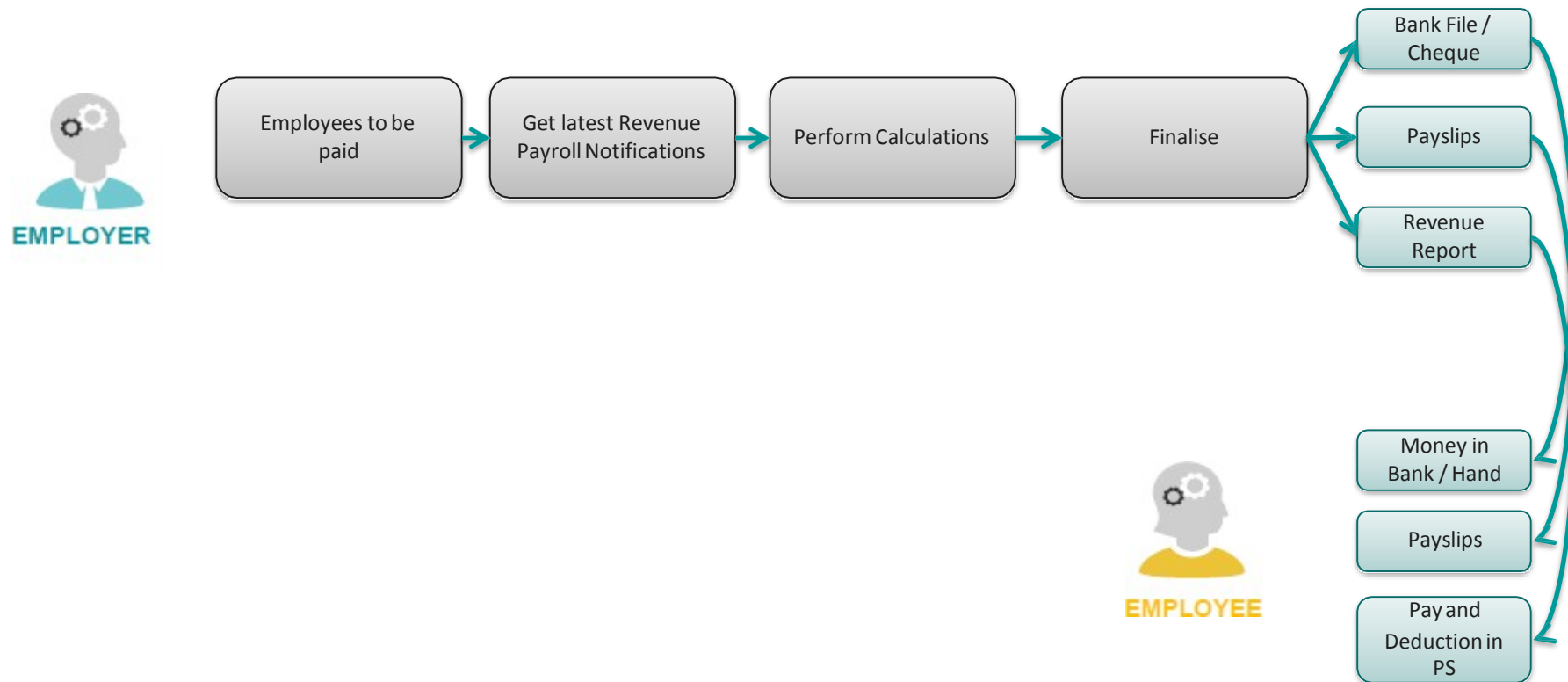
# Legislation – Finance Act 2017

The legislative provisions have been passed into law governing the changes these include:

- Revenue Payroll Notification (RPN)
- Payroll submissions **on or before** each payroll run by employers
- Monthly statement issued by Revenue – deemed a return by the 14<sup>th</sup>.
- Persistent Technology Failure
- Direct Debit/Variable Direct Debit

# High Level Design and Process Flows

# Seamless integration of reporting into the payroll process



# 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 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



# Direct Payroll Reporting

On starting the payroll for a given payroll run the software will:

- Request Revenue Payroll Notifications (RPN) for all employees that have been amended since last payroll run
- Request RPNs for any new employees who have not been paid before
- Revenue will allocate credits based on most up to date information available for that employee

## Run Payroll


- Payroll software will use the details returned in the RPN to calculate statutory deductions for each employee
- If new employees are added at this stage the software will request a new RPN for that employee

## Complete / Finalise Payroll

- 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 sends an instantaneous acknowledgement that submission is received
- Revenue send payroll software a response containing any errors and the total liability for that payroll submission

# ROS Payroll Reporting

## ROS Secure Login

 From June 18th, Revenue will be updating the ROS registration process. For more details please visit [ROS Help](#)

### 1. Select Certificate

K\_61192133

[Manage My Certificates](#)

### 2. Enter Password

[Change password](#)

[Reset Login](#)

### 3. Login

Login to ROS

[ROS Help](#)



If you experience problems, please visit [ROS Help](#)

## Revenue Online Service

Revenue Online Service (ROS) enables you to view your own, or your client's, current position with Revenue for various taxes and levies, file tax returns and forms, and make payments for these taxes online in a variety of ways.

### Useful Links

[View Latest Revenue News](#)

[EU VAT Customers](#)

[ROS Offline Application](#)

[ROS Developer Support](#)

[ROS Compatible Third Party Software](#)

[Digital Certificate for Emails](#)

[ROS Registration changes - upcoming developments](#)

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

[Terms & Conditions](#) | [Privacy Policy](#) | [Certificate Policy Statement](#) | [Certification Practice Statement](#) | [Eolas as Gaeilge](#)

Tax Clearance Certificate Expired.

My Frequently Used Services

Add a service +



MyEnquiries

Employer Services

[Request RPN](#)

[PPS Number Checker](#)

[Employee List](#)

[Payroll submission file upload](#)

[Payroll submission manual input](#)

[Check payroll status](#)

[Statement of account](#)

[Make a payment](#)

[Set up debit instructions](#)

File a Return

[Complete a Form On-line](#)



[Upload Form\(s\) Completed Off-line](#)



Payments & Refunds

[Submit a Payment](#)



[Manage Bank Accounts](#)



# RPN request

# Request RPN

08001416KH

[Gaeilge](#)

[Sign out](#)



## Employer Services

[← Back](#)

### Request Revenue Payroll Notifications (RPNs)

You must always ensure that payroll is run based on the most up to date RPNs. You can request RPNs for your employees by uploading a request file or by completing our online form. [Learn more ↗](#)

#### Upload request file

If your software produces an RPN request file, you can upload it here. Your file must be in either JSON or XML format. Separate files should be uploaded for existing or new employees.

[Request RPNs by file upload](#)

#### Complete online form

If you do not have a file to upload, you can request RPNs for your existing or new employees using our online form.

[Request RPNs by online form](#)

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

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

Language: [Gaeilge](#)



**Submit payroll by online form**

Revenue

Cian agus Cúirtín na Míreann

Irish Tax and Customs

MY SERVICES

REVENUE RECORD

PROFILE

WORK IN PROGRESS

ADMIN SERVICES

GAEILGE

ENGLISH

ROS HELP

TKSDAYNCYWP KRWCSOWE SKNBXDZNU AYZ

EXIT

Tax Clearance Certificate Expired.

My Frequently Used Services

Add a service +

^

MyEnquiries

Employer Services

[Request RPN](#)

[PPS Number Checker](#)

[Employee List](#)

[Payroll submission file upload](#)

[Payroll submission manual input](#)

[Check payroll status](#)

[Statement of account](#)

[Make a payment](#)

[Set up debit instructions](#)

File a Return

Complete a Form On-line

▼

Upload Form(s) Completed Off-line

▼

Payments & Refunds

Submit a Payment

▼

Manage Bank Accounts

▼

Excise Phase 1

[← 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.

[I have a new employee.](#)

Search by PPS number:

[Search](#)[Clear filter](#)

PPS number	Employee name	Employment ID	Employment start date	Action
1234567T	Paddy O'Brien	-	01/01/2018	<a href="#">Select</a>
9876543R	Mary O'Brien	-	01/01/2018	<a href="#">Select</a>

[I don't have a PPS number for my employee →](#)[Revenue Home](#) | [Accessibility](#) | [System Requirements](#)[Terms & Conditions](#) | [Privacy Policy](#) | [Certification Policy Statement](#) | [Certification Practice Statement](#)Language: [Gaeilge](#)

## Payroll Reporting

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### Select a pay frequency

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

Employee name:

Paddy O'Brien

PPS number:

1234567T

Employment ID:

1

Pay frequency:

Weekly ▼

Number of pay periods: ⓘ

52 ▼

Cancel

Next →

[← Back](#)

## Submission item

### Tax credits & rate bands

These are the most up to date tax credits and rate band information for this employment, which must be used when calculating pay & tax.

[Learn more](#)

RPN Number	1	RPN issue date	05/04/2018
Income tax calculation basis	Cumulative	Yearly Tax Credits	€4,950.00
Tax Rate 1	20%	Yearly standard rate cut off point	€43,550.00
Tax Rate 2	40%		

To help you complete your submission item, we have included certain information from your Revenue record. Please complete and confirm all fields below, updating as necessary.

### Employee details

[Update](#)

Employee name	Paddy O'Brien	PPS number	1234567T
Employment ID	1	Employer reference	-
Employment start date	01/01/2018	Date of leaving	-
Pay frequency	Weekly	Pay periods	52
Directorship	None	Shadow payroll	No

I confirm these details are correct ☐

### Pay & deductions

[Update](#)

Pay date	-	Gross Pay	-
Pay for Income tax	-	Income Tax paid	-
Pay for USC	-	USC Paid	-
Pay for Employee PRSI	-	Employee PRSI paid	-
Pay for Employer PRSI	-	Employer PRSI paid	-
		LPT Deducted	-

I confirm these details are correct ☐

### Other details

[Update](#)

Gross medical insurance paid by employer	-	Share based remuneration	-
Taxable benefits	-		
Taxable lump sum	-	Non-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 ☐[Save →](#)

# Online Manual Submission

Income tax calculation basis

Tax Date: 1

0000

Yearly standard rate cut-off point

€21,550.00

### Pay & deductions

×

Pay date: ⓘ

Gross Pay: ⓘ

Pay for Income tax: ⓘ

Income Tax paid: ⓘ

USC status:

☒ Ordinary ☐ Exempt

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

Pay for USC: ⓘ

USC Paid: ⓘ

PRSI exempt:

☒ No ☐ Yes

Text required.

PRSI class subclass & insurable weeks

## Online Manual Submission

PRSI exempt:

☒ No
 ☐ Yes

Text required.

PRSI class, subclass & insurable weeks:

PRSI class & subclass	Number of insurable weeks	Action
No details on record.		

Add 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 →

[← Back](#)

### Submission item

### Tax credits & rate bands

These are the most up to date tax credits and rate band information for this employment, which must be used when calculating pay & tax. [Learn more](#)

RPN Number	1	RPN issue date	-
Income tax calculation basis	Cumulative	Yearly Tax Credits	€4,950.00
Tax Rate 1	20%	Yearly standard rate cut off point	€43,550.00
Tax Rate 2	40%		

To help you complete your submission item, we have included certain information from your Revenue record. Please complete and confirm all fields below, updating as necessary.

### Employee details

[Update](#)

Employee name	Paddy O'Brien	PPS number	12345678
Employment ID	1	Employer reference	-
Employment start date	01/01/2018	Date of leaving	-
Pay frequency	Weekly	Pay periods	52
Directorship	None	Shadow payroll	No

I confirm these details are correct 

### Pay & deductions

[Update](#)

Pay date	03/07/2018	Gross Pay	€1,000.00
Pay for Income tax	€1,000.00	Income Tax paid	€100.00
Pay for USC	€1,000.00	USC Paid	€120.00
PRSI Class 1	H1	Insurable weeks 1	2
Pay for Employee PRSI	€1,000.00	Employee PRSI paid	€100.00
Pay for Employer PRSI	€1,000.00	Employer PRSI paid	€100.00
		LPT Deducted	€12.06

I confirm these details are correct ☒

### Other details

[Update](#)

Gross medical insurance paid by employer	-	Share based remuneration	-
Taxable benefits	-		
Taxable lump sum	-	Non-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 ☒

Save →



[← Back](#)

## Payroll submission form

Please confirm all details below before proceeding with your submission.

### Submission items

The following submission items are ready for submission.

Search by PPS number:

[Search](#)[Clear filter](#)

PPS number	Employee name	Employment ID	Gross Pay	Income Tax	USC	PRSI	LPT	Total	Actions
1234567T	Paddy O'Brien	1	€1,000.00	€100.00	€120.00	€200.00	€12.06	€432.06	<a href="#">Edit</a> <a href="#">Remove</a>

[Add additional submission items →](#)[Submit →](#)

Hello, John Ryan (3390661HH)

Gaeilge

[Sign out](#)



## Payroll Reporting



### Thank you

Your payroll run reference is: **PR-20180629-1559199**

Your submission ID is: **1**

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

[Return to ROS](#)

[View payroll run](#)

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

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

Language: [Gaeilge](#)

## View Payroll Run

[← Back](#)

## View payroll

[Make a new submission](#)

Search by

- Select -

Search

## Recent payroll runs

The following payroll runs were recently submitted / updated.

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

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

Language: [Gaeilge](#)

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## View payroll

[Make a new submission](#)

Search by

Payroll run reference ▼

Tax year

2018

Payroll run reference

run12345

**Search**

## Recent payroll runs

The following payroll runs were recently submitted / updated.

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

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

Language: [Gaeilge](#)

# 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	<a href="#">View</a>

# 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 qsndwu_44923	07005176LA	325	kxtjeifkdp6223 6	€270.00	€360.00	€71.20	€50.00
submission12345	LineItem1_bihe cpadnu_63384	07005176LA	325	ruqslqkpd119 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 11:39 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
↓ 2019	Action Required							
→ 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
<b>Total</b>	<b>€</b>	<b>414.00</b>

### 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

# PPSN Checker

- Agents, employers and pension providers requested PPSN checker facility as part of the co-design with Revenue.
- Live in ROS from 12<sup>th</sup> April
- A maximum of 10 PPSNs can be checked at one time.
- Captcha used to protect from phishing and internal reports will be produced on usage
- Results is either that PPSN can be used for that employee or that you need to contact employee and confirm PPSN

[← ROS Homepage](#)

### PPS Number Checker

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

Address Line 3

County / Postcode

Date of Birth

Day

Month

Year

[Add Employee](#) +

- ☐ For security and data protection purposes, the information you supply is being monitored by Revenue. Your continued use of this service is subject to use for legitimate purposes i.e. to ensure you are supplying the correct PPS Number for each of your employees. Activity which suggests otherwise will result in the service being withdrawn.

☐

I'm not a robot



reCAPTCHA  
[Privacy](#) - [Terms](#)

**Submit** →

## PPS Number Results

[← ROS Homepage](#)  
[← Start Again](#)

Employee	PPS Number		
Employee 1	6300066G	✓	<a href="#">Valid Details</a>
Employee 2	1234567T	✗	<a href="#">Invalid Details</a>

## PPS Number Results

Employee

PPS Number

### Valid details

Based on information held by Revenue, the PPS Number and details you have entered are valid.

X



## PPS Number Results

Employee

PPS Number

### Invalid details

Revenue is unable to validate the details you have supplied against our records.

Please verify details with your employee by checking against, for example Revenue correspondence quoting his/her PPS Number or Public Service Card.

## Net pay arrangement

- Net pay arrangements should not be agreed, they can leave the employer 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 with the possibility of the amount being re-grossed
- Always deduct tax based on the Revenue Payroll Notification
- Ensure that correct tax deductions are applied
- The RPN is available in real time –credit and rates available for that employee at payment time.

# Stakeholder Engagement – Business Process

# Operation of Payroll

- It is clear from the consultation to date that for some employers the focus on the end of year reporting may have contributed to in year payroll processing practices that are not fully in line with PAYE regulations.
- The real time reporting regime will make these visible and such processes will need to change.

# Corrections

- While it is recognised that errors in payroll will occur, every effort should be made to ensure that submissions to Revenue are accurate and timely.
- All data received, including corrections and the timing of submissions, will feed into Revenue's risk analysis systems.
- Employees must be easily able to reconcile their payslips with the data submitted to Revenue on their behalf.

# List of Employees

- Revenue has commenced requesting that all employers submit an employee list via ROS. This will contain details of all employees currently working for the employer.
- The objective of the exercise is to ensure RPN's for 2019 are correct from the start of the year.
- This will then be followed up with a Revenue matching exercise.

# **Stakeholder Engagement August– October 2018**

# External Stakeholder Engagement

## August – October 2018

August	September	September	October
1st PSDA	3rd CIMA-Limerick	6th CIMA-Galway	3rd PSDA Dublin
2nd UCD Presentation	3rd CIMA-Cork	7th Institute of Legal Accountants	15th External Stakeholders-Dublin
2nd Paycheck Presentation-Drogheda	3rd CIMA-Waterford	11th IFA Cork West	18th SAP SIG User Group - Dublin
13th External Stakeholders	3rd PSDA- Dublin	11th ITFUEL Sage Monaghan	17th Pimbrook & Fingal Chamber
14th CAI-Mayo	4th PMod Thesaurus Webinar	12th PSDA- Dublin	18th SAP User Group- Dublin
15th Institute of Directors-Dublin	4th Pimbrook/ Waterford Chamber of Commerce-Waterford	13th Accountants Conference	24th PSDA Dublin
17th Declan O'Callaghan Accountants Ennis	5th PMod Thesaurus Webinar	17th External Stakeholders-Dublin	
23rd Plato & Local Enterprise Office	5th IPPN Briefing- CityWest	17th IFA Cork Central	
27th DCU Presentation	5th CoreHR Conference- Dublin	18th Ploughing championships-Offaly	
28th BDO Seminar Limerick	5th Food and drink Conference Dublin	19th CPA	
29th CIF Seminar- Dublin	5th PKF Payroll	19th Ploughing championships-Offaly	
30th INTO Dublin	5th PMod Thesaurus Webinar	20th Ploughing championships-Offaly	
30th Hardiman Wallace Accountants Network			
30th C&C Schools			
31st Paul McGonigle Event Donegal			



# Preparing for PAYE Modernisation

# Getting Ready

- Have you the right Personal Public Service (PPS) number for all your employees?
- Have you registered your employees with Revenue?
- Have you an up-to-date tax credit certificate for all your employees?
- Have you completed the P45 process for any employees who have stopped working for you?
- Have you adequate controls in place to ensure that benefits/notional pay are being accurately calculated during the year?
- Are you aware of your duties as an employer at the end of the year?

# Revenue Regional Seminars

# Revenue Regional Seminars

- Regional seminars planned for Sept/Oct 2018
- Free to attend
- Demonstration screens
- Employers should register their interest on [Revenue.ie](https://revenue.ie)

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Sign in to [myAccount](#) or [ROS](#) | [Gaeilge](#)

Search



#### Popular topics

[Tax credits, reliefs and exemptions](#)

[Health expenses](#)

[Emergency tax](#)

[LPT - What to do in 2018](#)

#### **PAYE modernisation – Employer Seminar**


Employers register your interest now.

[Read more... →](#)

# Information

# Information

ROS Help Centre : <https://www.ros.ie/helpcentre/help.html?lang=en>

**ROS Help Centre**[Login to ROS](#)

Help

## Welcome to the ROS Help Centre

Welcome to the ROS Help Centre! Click on one of the topics below for assistance with using ROS.

We have designed the ROS Help Centre to help you find the information you need as quickly as possible. In the top left corner of your screen you will see a trail of links emerge as you navigate through the Help Centre. These links can be used to easily navigate backwards through the Help Centre. To help with navigation, a number of pages utilise expanding and collapsing sections. Simply click on these sections to view more information.

## Hot Topics

» **ROS Changes**

- The ROS My Services, Agent Services and Revenue Record screens have been updated.
- It is now possible for Agents to select either "Financial & Payroll" capacity or "Payroll-only" capacity when linking to employers through ROS.
- **More details are available here**

» **ROS Login**

Please follow these **instructions** to locate and load your ROS digital certificate file to log in to ROS.

If you have lost your certificate or forgotten your password, please follow these **instructions** to use the Reset ROS Login function.

# Information

- Regular updates on [revenue.ie](https://revenue.ie)

<b>Employing people</b> Information for employers about your tax obligations when you hire and pay employees and when employment ends. <b>Popular topics</b> <a href="#">Travel and subsistence</a> <a href="#">Flat-rate expense allowances</a> <a href="#">Private use of company cars</a>	
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](mailto:payemodernisation@revenue.ie)



# COMPLIANCE

A close-up of a hand with the index finger pointing upwards, positioned directly below the word 'COMPLIANCE'.

## REVENUE COMPLIANCE VISITS

15 August 2018

**MAIRÉAD DIVILLY**  
PARTNER  
OUTSOURCING, AUDIT  
AND COMPLIANCE

# Revenue Compliance Visits

## OBJECTIVE

- To discuss your payroll system, the controls and checks in place to assure compliance with PAYE Regulations and readiness for the modernisation of PAYE in January 2019.
- To examine areas of possible concern to Revenue.
- To examine books and records, as required.
- May include an examination, using e-audit techniques, of the wages, salary and expenses records held on and processed by computer systems.

# Revenue Compliance Visits

## AREAS OF POSSIBLE CONCERN

- The operation for all employees of the most up-to-date certificates of tax credits and standard rate cut-off point (known as a Form P2C) issued by Revenue;  
(penalty of €4,000 for failing to notify Revenue of commencement of new employee)
- Correct statutory deductions (income tax, PRSI and USC) on the payment of emoluments to directors and employees;
- Availability of an Employee Register, as required under Regulation 9 of the PAYE Regulations, and notification of the commencement of all employments to Revenue;
- Availability of a valid Person Public Service Number (PPSN) for all employees on payroll;
- Application of the emergency basis of tax when required.

# Revenue Compliance Visits

## **DOCUMENTS / INFORMATION SOUGHT**

- Employee Register.
- Copy P30 Returns.
- Gross to net reports.
- Bank statements to match net pay per payroll records.
- Copy payslips for a sample of employees for specific period.
- Data downloads may be required to ensure the accuracy of the returns submitted.
- If necessary, additional information and records in respect of 2016 and 2017 operation of PAYE may be requested, specifically relating to taxation of payments from the Department of Employment Affairs & Social Protection.

# Revenue Compliance Visits

## LIKELY QUESTIONS

- Nature of business.
- How payroll currently operates.
- Pay frequency.
- Payroll system.
- Type of payments processed through payroll, e.g. overtime, commission, etc.
- How are employees paid – cheque / EFT / Cash.
- Do all employees on payroll have PPS number?
- Are all employees on Revenue P2C Report?
- Process for setting up new employees.
- Is there an employee register?
- Any voluntary disclosures.

# Revenue Compliance Visits

## PROCESS

- Enquiry is a Profile Interview (not a notification of a Revenue Audit) and does not restrict your right to make an Unprompted Qualifying Disclosure.
- Following this review, a recommendation may be made as to future action:
  - To assure compliance with PAYE Regulations,
  - Collection of any identified PAYE liabilities (income tax, PRSI and USC) including statutory interest and possible imposition of penalties, under Sections 987 and 1077E of the Tax Consolidated Act 1997.
- Opportunity for you to clarify any issues that you may be concerned about in regard to the operation of PAYE, especially in the context of the PAYE Modernisation changes being made for 2019.

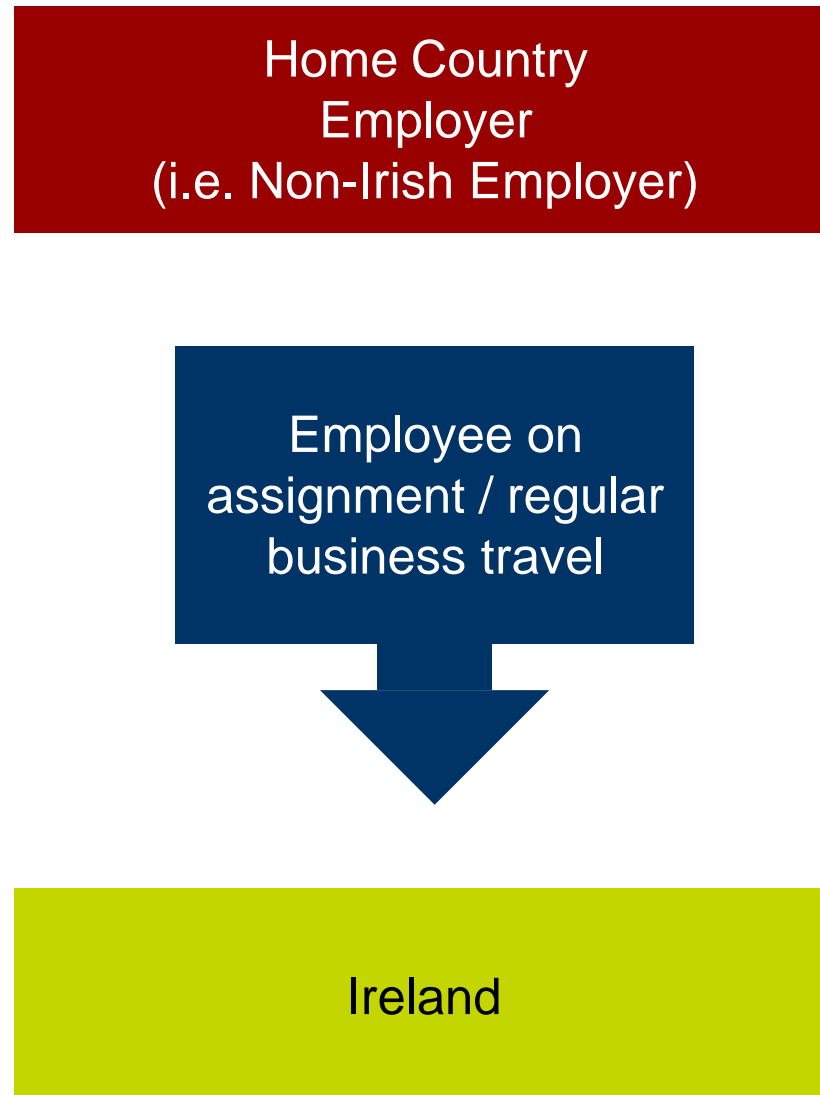


# Inbound Employees to Ireland – Employer Tax Obligations in Ireland

**15 August 2018**

**JOHN KELLY**  
TAX MANAGER  
EMPLOYMENT TAX AND  
GLOBAL MOBILITY SERVICES

# Foreign Employments Performed in Ireland





# PAYE – Foreign employments

## HISTORIC POSITION – 2006 to 2017

- **From 2006**, the income of a foreign (non-Irish) employment attributable to the performance in Ireland of the duties of that foreign employment is taxable in Ireland and liable to PAYE withholding by the foreign employer.
- However, subject to meeting certain conditions, Revenue allowed an exemption from the operation of PAYE withholding in circumstances where the employment income is relieved from Irish tax under the terms of a Double Taxation Agreement (DTA).
- **2007** - Revenue Statement of Practice (SP - IT/3/07) was published.
- **December 2016** – SP-IT/3/07 was amended, which made it more difficult to secure an exemption from Irish PAYE withholding.

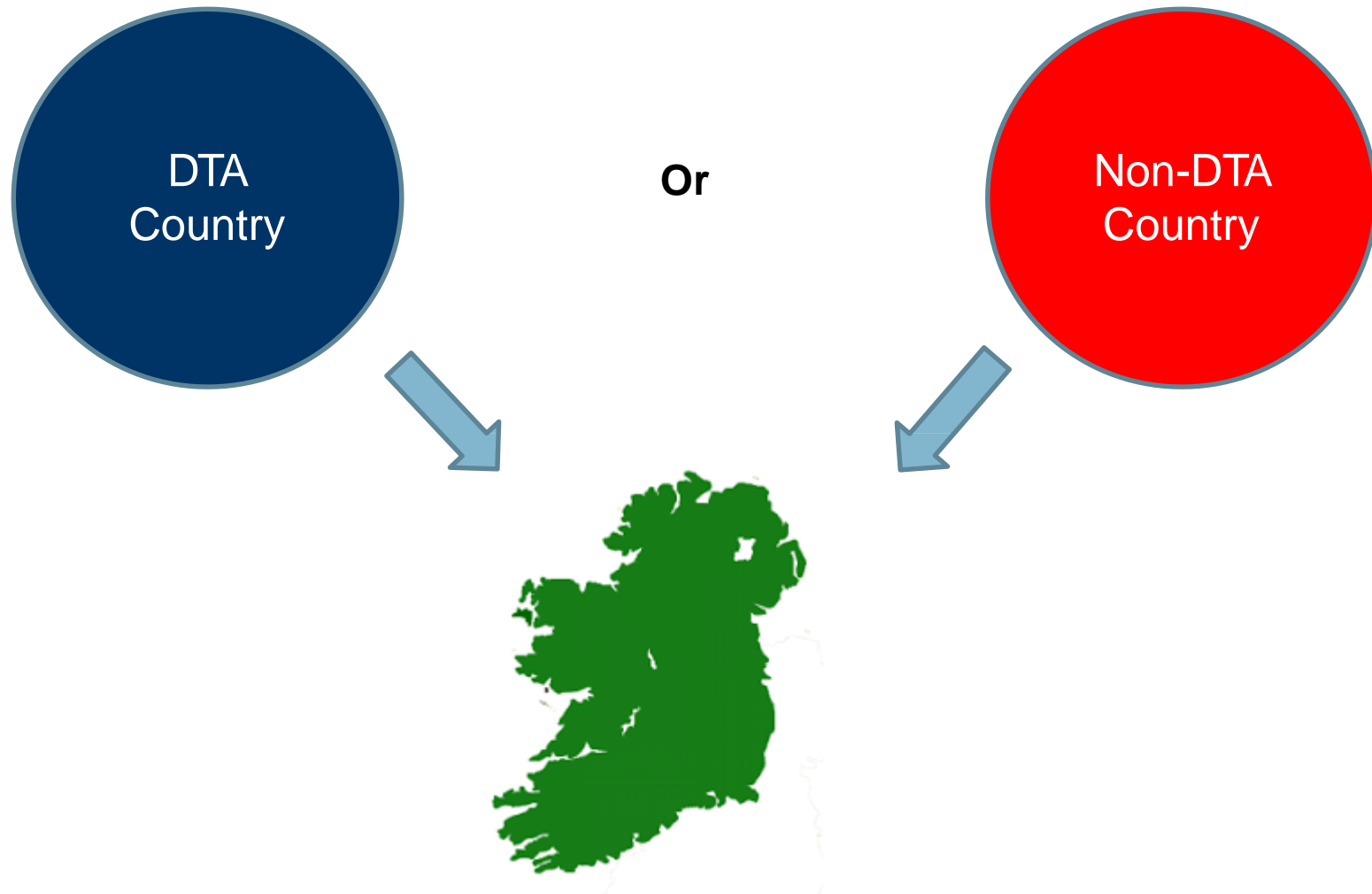
# PAYE – Foreign employments

## Updated position from 1 Jan 2018

- New Revenue manual published in April 2018 (“Employee payroll tax deductions in relation to non-Irish employments exercised in the State”)
- It replaced the old Revenue Guide SP-IT/3/07.
- New rules are effective from 1 Jan 2018.
- 60-page document!

# New Revenue manual

Where is the employee coming from?



## Employees from a **DTA** country

Presence in Ireland	No. of work days in Ireland	PAYE treatment	Notes
One tax year	Up to 60 work days in a tax year	Exempt from PAYE withholding	However, need to watch whether employee returns to Ireland in a subsequent year
One tax year	Between 60 work days and 183 days (work and non-work)	Exemption from PAYE withholding <u>may</u> apply (depending on certain conditions)	Application must be made to Revenue (within 30 days of arrival) for release from PAYE withholding requirement

# Employees from a DTA country

Presence in Ireland	No. of work days in Ireland	PAYE treatment	Notes
Two consecutive tax years	Up to 60 work days across two tax years	Exempt from PAYE withholding each year	Position may change if the employee returns to Ireland in a subsequent year
Two consecutive tax years	61 work days or more in total across two years	Exemption from PAYE withholding <u>may</u> apply (depending on certain conditions)	Application must be made to Revenue (within 30 days of arrival) for release from PAYE withholding requirement for <u>each tax year</u>

## Employees from a DTA country

Presence in Ireland	No. of work days in Ireland	PAYE treatment	Notes
More than two consecutive tax years	No threshold	Exemption from PAYE withholding <u>may</u> apply (depending on certain conditions)	Application must be made to Revenue (within 30 days of arrival) for release from PAYE withholding requirement for <u>each tax year</u>

# PAYE – Foreign employments

## **DTA Conditions to be satisfied to help secure exemption from Irish PAYE withholding**

1. The assignee must be resident in a country with which Ireland has a DTA and must not be resident in Ireland for tax purposes; and
2. There must be a genuine foreign office or employment;
3. The remuneration must be paid by, or on behalf of, an employer who is not a resident of Ireland; and
4. The remuneration must not be borne by a permanent establishment (PE) which the foreign employer has in Ireland.

# PAYE – Foreign employments

## Watch the 3<sup>rd</sup> condition!

Condition 3 => “The remuneration is paid by, or on behalf of, an employer who is not a resident of Ireland”

Revenue will not accept that this condition is satisfied where the individual is:

- working for an Irish employer where the duties performed by the individual are an integral part of the business activities of the Irish employer, or
- replacing a member of the staff of an Irish employer, or
- gaining experience working for an Irish employer, or
- supplied and paid by an agency (or other employer) outside of Ireland to work for an Irish employer.



# PAYE – Foreign employments

## What does “integral part of the business activities” mean?

- Each case must be looked at individually.
- Factors to consider are:
  - Does the foreign employer or the Irish company bear the responsibility or risk for the results produced by the assignee?
  - Does the foreign employer or the Irish company authorise, instruct or control where, how and, or when the work is performed?
  - Does the assignee report to the foreign employer or the Irish company? Which company is responsible for assessing the assignee's performance?
  - Are the role or duties performed by the assignee more typical of the functions of the foreign employer or of the Irish company?

## Employees from a non-DTA country

Presence in Ireland	No. of work days in Ireland	PAYE treatment	Notes
One tax year	Up to 30 work days	Exempt from PAYE withholding	However, need to watch whether employee returns to Ireland in a subsequent year
One tax year	31 work days or more	PAYE withholding requirement	PAYE must be calculated by reference to foreign employment duties exercised in Ireland

## Employees from a non-DTA country

Presence in Ireland	No. of work days in Ireland	PAYE treatment	Notes
Two consecutive tax years	Up to 30 work days across two tax years	Exempt from PAYE withholding for each year	However, this may change if the employee returns to Ireland in a subsequent tax year
Two consecutive tax years	31 work days or more across two years	PAYE withholding requirement for each tax year	PAYE must be calculated by reference to foreign employment duties exercised in Ireland

## Employees from a non-DTA country

Presence in Ireland	No. of work days in Ireland	PAYE treatment	Notes
More than two consecutive tax years	No threshold	PAYE requirement for each tax year	PAYE must be calculated by reference to foreign employment duties exercised in Ireland

# Key differences between DTA and Non-DTA conditions

## DTA Assignees

60 workday threshold

DTA available = ability to make submission to Revenue for exemption from PAYE withholding

## Non-DTA assignees

30 workday threshold

No DTA available = PAYE withholding must be operated

## **Key questions for employers to consider before the assignment**

- Is the employee resident in a DTA or non-DTA country?
- Is the pattern of presence foreseeable from the outset?
- Will the assignee be expected to spend one, two or more years working in Ireland?
- If more than one year, how many consecutive years will the assignee work in Ireland?
- How many work days will the assignee have in Ireland each year?
- What are the nature of duties that will be performed in Ireland?
- Are the role or duties performed by the assignee more typical of the functions of the foreign employer or of the Irish company?
- Does the Irish employer bear the cost of the assignee's remuneration?

# Ongoing Presence in Ireland

- Individuals who have an ongoing requirement to return to Ireland over a number of years will not qualify for an automatic exemption from PAYE, regardless of the number of days spent in Ireland in a year.

## Example

- An individual is required to be in Ireland to attend quarterly meetings each year for a total of 4 workdays per year.
- The individual will not qualify for an automatic exemption from the obligation to withhold PAYE under the new Revenue rules.
- The employer must apply to Revenue for a release from the operation of PAYE withholding within 30 days of the assignee taking up duties in Ireland.
- If Revenue approve the application, the exemption will only apply for one year, therefore, a further application will be required the following year.

# Other Points to Note

## Rotational assignees

- Where a role is filled in Ireland by a series of different individuals on a rotational basis, an employer must consider the role as a whole, for the purposes of PAYE withholding, taking into account all the periods that each individual spends in Ireland.
- For example, if 4 individuals spend 50 consecutive work days each in Ireland working in the same role, then the employer must consider the whole 200 workdays spent in Ireland.

## Change in circumstances

- In general, applications will not be approved by Revenue retrospectively.
- However, the new manual states that “Revenue will not penalise an employer for failure to give timely notice where it was not expected or readily apparent that the individual will be present in Ireland for more than 60 workdays.”



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