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LPT Update Notes

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COMMENT

Dear Payroll User,

Welcome to our 2013 Mid-Year Update Notes.

1 July 2013 sees some changes to the taxation system. The main changes are:-

- The ability to deduct, report on and remit Local Property Tax (LPT)
- Taxation of Maternity, Adoptive and Health & Safety Benefits
- The Department of Social Protection (DSP) has increased the number of classes of Employment that qualify for PRSI Class K

The Up-Date

We hope you find this document useful. Please read the Update Notes carefully in conjunction with the Checklist as they give in-depth information as to why the Checklist is structured as it is.

Inevitably situations will arise where a Checklist just won't do. If this happens you can contact us on the numbers supplied, by fax, email or by using the contact form on our website (www.ardbrook.ie) outlining your problem. Please state your problem clearly and concisely, your name and how and where we can contact you. Your queries will be dealt with promptly.

As in previous years, we have again included in these notes, the relevant hotline telephone numbers for Revenue and the Department of Social Protection. Please use these numbers if you have any queries on the calculation of PAYE, PRSI, USC, Local Property Tax (LPT) or the Pension Related Deduction (PRD), as that is their purpose. Please limit your calls to Ardbrook Ltd to ones that are relevant to the software and how to use it.

Ardbrook Ltd
June 2013

Should you have any queries regarding this document please contact Ardbrook Ltd by

Phone: +353 – (0)1 – 8382921
Fax: + 353 – (0)1 – 8683098
Email: support@ardbrook.ie
Web: www.ardbrook.ie or www.ardbrook.com or www.ardbrook.eu

LPT Update Notes

Ardbrook Trusted Payroll, SEPA and Cloud Solutions

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UPDATE NOTES

INTRODUCTION

The Internet Download or the enclosed CD contains 2013 Mid-Year Updates for either ***PayDay*** or ***EuroPay Xtra***.

In these notes we have set out the main points as they affect your payroll management and instructions as to best handle the changes being implemented as a consequence of Statutory changes or Software enhancements. We have included as part of these notes a Mid-Year Checklist.

We would suggest that you keep these notes in a safe place, but easily available to you as a reference when running your payroll for the remainder of current Tax Year.

Before installing the update, please read all notes carefully.

INSTALLATION GUIDELINES

Please install your 2013 Mid Year Update for ***EuroPay Xtra*** or ***PayDay*** as soon as you receive it.

1. This will not affect the current 2013 Tax Year PAYE, PRSI, USC or PRD calculations, prior period calculations or transactional history
2. Gives you the immediate benefit of any software enhancements!
3. As CDs may be damaged in transit, installing immediately will highlight problems and give time to dispatch a replacement before things get critical at the Year-End
4. However, the main reason the update needs to be installed is to allow you to cater for Employees who elected to pay the Local Property Tax through deduction at source, that is through payroll

To install the Update

1. As with any major change to your system, we strongly recommend that a ***Full*** system backup be taken prior to installing the update
2. If your software is on a network drive, ensure nobody is logged in to or using the payroll
3. The CDs are labelled, which give clear and concise loading instructions
4. Once the update is completed, ***PayDay*** or ***EuroPay Xtra*** will exit automatically. Login to effect the changes
5. For a detailed description as to how to implement LPT in ***EuroPay Xtra*** read pages 11 to 17 and for ***PayDay*** pages 18 to 26

Useful Telephone Numbers and Websites

For PAYE or Taxation of Disability Benefit contact your local Tax Office or PAYE Lo-Call on 1890 – 60 – 50 – 90
For BIK queries contact your local Tax Office or Revenue BIK Helpline on 1890 – 25 – 45 – 65
www.revenue.ie
www.ros.ie
www.welfare.ie

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2013 MID YEAR UPDATE CHECKLIST

- Install the 2013 Mid-Year Update Download as soon as it is available
- Import Tax Credit (P2C) File as downloaded from ROS (Check that the Tax Registration number and Tax Year is the same as your DataSet)

  Important: Due to introduction of Local Property Tax and the Tax Payer's option of having the LPT due deducted at source and to ensure that the amount of LPT payable by an Employee is spread evenly over the remaining payroll periods to 31 December 2013, it is essential that the latest Employee P2Cs are loaded immediately prior to 1 July 2013. Otherwise, Employees may have higher LPT deductions per pay period as it is imperative that the total LPT due is deducted and paid by 31 December 2013.
- Print the P2C "Tax Credit Import Process Report"
- Optional – if you wish to list the contents of the Tax Credit (P2C) File print "Tax Credit File Print" report
- Manually enter any additional Paper Tax Credits (P2C) (don't forget both PAYE, USC Cut-Off Points and USC Rates and LPT) issued after your ROS download
- Run the next payroll period – if payroll run date is on or before 30th June 2013, LPT will be excluded from calculations but if the payroll run date is on or after 1st July 2013 LPT will be automatically included for relevant employees

LPT Update Notes

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2013 MID YEAR UPDATE AND LOCAL PROPERTY TAX (LPT)

The 1st of July 2013 sees the introduction of Local Property Tax (LPT). LPT will be administered by Revenue and will be based on a system of self-assessment. Legislation governing LPT provides for payment by a liable person of LPT for 2013 in one single payment or by phased payments over the period July to December 2013. One of the phased payment options provided for in legislation is deduction at source from wages / salary or an occupational pension. Revenue may also enforce collection through payroll, for example, where an individual fails to make a LPT return or fails to pay the liability by another means.

Employers / Pension Providers are required to ensure that this facility is available to their employees / pensioners from 1st July 2013 onwards. Where deduction at source is the means by which LPT is to be paid, Revenue will notify the Employer / Pension Provider via the Tax Credit Certificate (P2C) of the total amount of LPT to be deducted from the Employee's net salary or Pension Recipient's occupational pension as appropriate for the period 1 July 2013 to 31 December 2013. The Employer / Pension Provider must commence deductions of LPT on receipt of the P2C but no earlier than 1 July 2013 and spread these deductions evenly over the pay periods occurring between July and December 2013. Employers and Pension Providers are to account for and remit the deducted LPT to Revenue on the year end P35 Return and on the monthly P30 Return, and to employees on Payslips, P60s and P45s as appropriate.

Both ***EuroPay Xtra*** & ***PayDay*** have been amended to cater for the operation of Local Property Tax, but it is essential that the necessary software update has been loaded to ensure the required functionality is available to you.

For a detailed description as to how to implement LPT in ***EuroPay Xtra*** & ***PayDay*** please see the relevant notes on pages 11 to 17 for ***EuroPay Xtra*** & pages 18 to 26 for ***PayDay***.

Useful Telephone Numbers and Websites

For information on the operation of the LPT contact the Employer Information and Customer Service Unit on 1890 – 25 – 45 – 65 or if calling from outside the Republic of Ireland please phone + 353 – 67 – 63400

LPT FAQs for Employers may be found at http://www.revenue.ie/en/tax/lpt/faqs-employers.pdf
Revenue LPT eBrief 16/13 may be found at http://www.revenue.ie/en/practitioner/ebrief/2013/no-162013.html

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2013 MID YEAR UPDATE AND PAYE

There are no changes to the operation of PAYE with one small exception

Taxation of Disability (Illness) Benefit for 2013

The following information which was included in our 2013 Budget Update Notes remain relevant and no change has occurred or will occur for the remainder of the Tax Year.

Disability Benefit in the 2012 Tax Year was taxable but exempt from both USC and PRSI, and this remains unchanged for 2013. Please check the parameters your Sick Pay/Illness Benefit/Disability Benefit pay element to ensure that for 2013 the Sick Pay is taxable but not subject to USC, EE PRSI and ER PRSI. In addition, ensure that the relevant option to report Disability Benefit on P35, P60 and P45 is turned on.

The 2013 Basic Personal Illness Benefit of €188.00 per week is unchanged from 2012. Where you are not aware of the amount of an employee's Disability Benefit but are otherwise in a position to take the necessary action, the Basic Personal Rate should be assumed until advised otherwise by the Department of Social Protection or by the Inspector of Taxes.

In May 2012, Revenue issued an Employer Notice with respect to the treatment of Illness Benefit. This document sets out the treatment that should be applied by employers with respect to Illness Benefit for 2012 and remains the case for 2013.

Revenue eBrief 27/12 www.revenue.ie/en/practitioner/ebrief/2012/no-372012.html
Employer Notice May 2012 www.revenue.ie/.../paye/employer-notices/may-2012.pdf

Taxation of Maternity, Adoptive and Health & Safety Benefits from 1 July 2013

From 1 July 2013, Maternity Benefit, Adoptive Benefit and Health & Safety Benefit, payable by the Department of Social Protection (DSP) will be taxable in full. However, USC and PRSI will not apply to these benefits.

As part of the ongoing exchange of information arrangements between Revenue and DSP, Revenue will receive the payment details which will be used to update an individual tax payer's Revenue record.

By way of administering the taxation of these benefits, Individuals who pay their tax through the PAYE system will, where possible, have their annual tax credits and cut-off point reduced by the amount of these payments.

Employers/pension providers will be advised of the adjusted tax credits and cut-off points on employer tax credit certificates (P2Cs). Therefore, unlike Disability (Illness) Benefit, Employers have no requirement to tax Maternity, Adoptive and Health & Safety Benefits as the import of new P2Cs for affected employees will be sufficient to ensure that employees in receipt of these Benefits are taxed correctly. In addition, there is no requirement for Employers to report an Employee's receipt of Maternity, Adoptive or Health & Safety Benefits Benefit on the P35, P60 or P45.

Revenue eBrief 19/13 http://www.revenue.ie/en/practitioner/ebrief/2013/no-192013.html
Employer's Guide to PAYE http://www.revenue.ie/en/business/paye/guide/employers-guide-paye-calculation.html

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2013 MID YEAR UPDATE AND PRSI

There is no change to the operation of PRSI from the 1st July 2013.

However, the Department of Social Protection has amended the definition of employees who may qualify to be classed as Class K1 contributors.

Useful Telephone Numbers and Websites

For information on the operation of the PRSI contact the Information and Customer Service Line on 1890 – 66 – 22 – 44 or if calling from outside the Republic of Ireland please phone + 353 – 71 – 9193313

2013 PRSI Classes & Rates (SW14) http://www.welfare.ie/en/downloads/SW14.pdf
Employer PRSI Information Pack http://www.welfare.ie/en/Pages/Information-Packs.aspx

2013 MID YEAR UPDATE AND USC

There is no change to the operation of The Universal Social Charge (USC) from the 1st July 2013.

Useful Telephone Numbers and Websites

For information on the operation of the USC contact the Employer Information and Customer Service Unit on 1890 – 25 – 45 – 65 or if calling from outside the Republic of Ireland please phone + 353 – 67 – 63400
USC FAQs www.revenue.ie/en/tax/usc/universal-social-charge-faqs.pdf
Sample USC Calculations www.revenue.ie/en/tax/usc/usc-examples.pdf

2013 MID YEAR UPDATE AND PRD

There is no change to the operation of the Pension Related Deduction (PRD) from the 1st July 2013.

Useful Telephone Numbers and Websites

For information on the operation of the PRD contact the Department of Finance on 1890 – 66 – 10 – 10 or if calling from outside the Republic of Ireland please phone + 353 – 1 – 676 7571
Email: webmaster@finance.gov.ie
PRD FAQs www.finance.gov.ie/documents/guidelines/faqprdjul09.pdf

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2013 YEAR END STATIONERY

P60

An employer must give to every employee who is in their employment on the 31 December 2013, a form P60 by the 15th February 2014. P60s may be printed on plain paper using the Revenue template or on pre-printed Revenue approved forms. As in 2012, Revenue will not provide pre-printed P60 stationery. The 2013 P60 layout has been changed to cater for the inclusion of relevant Local Property Tax (LPT) data. For ***EuroPay Xtra*** & ***PayDay*** users, a Tape Seal P60 print option is available. If you wish to use Tape Seal Security P60 stationery, please order supplies from Martin Mulcahy (01-8382921 or info@ardbrook.ie) by 15th November 2013.

Useful Information Sources

******P60 Template** http://rospublictestnextversion.ros.ie/schemas/p60/laser/Form%20P60%20Laser.pdf

USC & PRD Year-End Certificates

As in 2012, the 2013 P60 now includes all relevant USC data, there is no requirement for an employer to give to every employee who is in their employment on the 31 December 2013 a separate USC Cert.

However, for employees paying the Pension Related Deduction (PRD), the employer must give to every employee who is in their employment on 31 December 2013 a separate Year-End PRD Certificate. This certificate is printed on plain paper and should conform to the approved template.

Useful Information Source

PRD Template www.finance.gov.ie/documents/publications/other/2009/pensiondeduction09/prd60.pdf

Employee Tax Certs

As you may be aware, Revenue no longer issue tax certificates to employees. However, an employee can obtain a copy of their cert by:

- Registering for PAYE Anytime
- Contacting their local tax office
- Texting their PPS number and the word CERT to 51829

As the tax certificate for 2013 also includes an employee's USC Cut-Off Points (COPs) / rate bands used to calculate the individual's USC liability, it is advisable that every employee checks their tax cert carefully to ensure it contains the correct information.

Where an employee has two or more employments, the employee can contact their local tax office and request that their USC COPs are allocated between their employments.

LDT Update Notes

ARDBROOK NEWS

DEFT
Ardbrook Software Solutions

There's been a good deal of activity since the start of the year that has kept us busy developing and improving our product for you.

SEPA – Single Euro Payments Area

Payroll

As well as making the extensive changes required to support the implementation of the Local Property Tax, we've also been working to make our Payrolls compatible with the generation of electronic payments files under the SEPA scheme.

This requires that Sort Codes and Account Numbers be replaced by BICs and IBANs. All our Payroll products will complete this conversion automatically. SEPA also requires that payment files be in the SEPA XML format. Full implementation of the SEPA scheme comes into effect on February 1st, 2014 but many organisations will decide to convert sooner than this.
We plan to release new SEPA compatible versions of our Payroll products in the July / August timeframe.

DEFT – our new SEPA product for Electronic Payments

Ardbrook has held a leading position in the provision of EFT software for the Irish Market. Our PayCE product is one of the most widely used software products among Irish Originators, particularly Direct Debit Originators.
SEPA imposes many new requirements when processing electronic payments files.

- Replacement of Sort Code and Account Number with BIC and IBAN
- Management of Mandates
- Requirement for different Transaction Types depending on the Mandate status / life cycle
- Use of XML format files for both Debits and Credits

We will launch our new SEPA compliant product in June. Our new product, called DEFT, meets all the requirements of the SEPA scheme, it provides for the conversion of your existing data and ensures all on-going transactions are generated correctly.

We have tested our SEPA files – both Debit (SDD) and Credit (SCT) files – with the major Banks and our files have been verified and passed by them. We can take a current Standard 18 EMTS file and use it to populate your SEPA database and from which you can generate SEPA XML files.

As the SEPA implementation deadline approaches you can expect to find more and more information at our website. Feel free to visit us there to get the latest information and advice.

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Employee Self Service – myESS

Our new Employee Self Service (ESS) product, myESS, has now been installed with a number of customers. ESS allows employees to access their Payslip via any device that connects to the internet. This gives the employee great flexibility and control in accessing their Payslip. myESS also allows employees access to all historical Payslips and P60 documents that you have produced for them. This is great in reducing calls and emails to your Payroll department from Employees looking for lost Payslips or P60s.

Support

As always, our experienced support team remain readily available to all clients by telephone during normal office hours to deal with all queries and support issues. You can also email us at info@ardbrook.ie with your questions. Whatever way works best for you.

You can keep up to date with what Ardbrook is up to via our website, www.ardbrook.ie, which contains details of all our offerings along with Demonstration versions of many of our products. Alternatively you can contact us by email at info@ardbrook.ie or you can always call us by phone and talk to us directly at +353 (0)1 8382921.

Comments and Feedback

All your comments and suggestions are greatly appreciated and are all taken into consideration as additional flexibility and functionality is added to your software.

Web Site

Remember to keep up to date with what Ardbrook is up to via our website at www.ardbrook.ie

LPT Update Notes

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LPT & EUROPAY XTRA

From the 1st July 2013, Local Property Tax (LPT) may be deductible from an Employee's or Pensioner's net pay, where the Employer has received a direct instruction from Revenue by way of an updated Employee / Pensioner P2C. The Employer has a responsibility to ensure that the correct amounts are deducted, employees informed and the LPT amounts remitted to the Revenue on the monthly P30 return.

LPT has required many changes to be made to the payroll software. These changes include but are not limited to:-

- Employee Master File
- Employee History
- Payroll Calculation Routines
- All applicable Reports
- Employee Payslip
- Employee P60
- P30 & P30 / P35 Comparison Screens
- P2C (Tax Credits) ROS Imports
- ROS Returns
    - Monthly P30
    - Year End P35
    - P45 P1 – Leaver
    - P45 P3 – New Starter
- Import and Export Routines
- Word Links
- Excel Links
- Period Update
- Year End Update

The basic steps for implementation of LPT within ***EuroPay Xtra*** are set out below.

1 Install the Mid Year LPT ***EuroPay Xtra*** Software Update

2 LPT Data will be fed by Revenue to employers via the P2C and only the P2C. The instruction to deduct LPT must come from the Revenue and not the Employee. LPT data on P45s from new employees is to be ignored for LPT purposes by a new Employer, other than it's use for the production of a P45 P3 XML File for New Starters for uploading to ROS. Effectively LPT is to be recorded for this Employment only, as with PRSI.

3 The LPT figure on the P2C represents the amount of LPT to be deducted from the Employee by the Employer from the date of the cert to the end of the Tax Year.

LPT Update Notes

4 There are two ways of setting up LPT within ***EuroPay Xtra***

- Electronically
- Manually

Electronic Set-Up

(a) ROS P2C Import ([Options], [ROS], [Tax Credit Import]) will automatically

i. Create the LPT Net Deduction if not already Set Up
ii. Populate all required fields on the Employee Master File
    1. PAYE Tax Tab
        a. Total LPT to be deducted for the period to 31 December
        b. Maintains a record of total LPT deducted during the Tax Year
    2. Pay Elements Tab – LPT Tax Pay Element
        a. The amount to be deducted per payroll period
        b. Sets the Reducing Balance figure to Total LPT to be Deducted to 31 December
        c. Keep a record of the original LPT amount imported from P2C

Manual Set-Up

(a) To manually set up LPT pay element

i. Open DataSet

ii. [Options], [Pay Elements] from Main Menu
    1. Enter (Carriage Return) to accept next available Pay Element Number
    2. Enter desired description eg LPT Tax – please note the limited amount of space available for description (15 characters approximately) on payslip

iii. Basic Tab
    1. Set Description to “LPT Tax” or equivalent
    2. Set as Deduction
    3. Set as Reducing Balance
    4. Set Local Property LPT tick box on (ROS / Revenue Options)
    5. Set Tax Basis as Net
    6. Set “Multiply by Holiday Periods” On
    7. Set Calculation Type as “Fixed”

LPT Update Notes

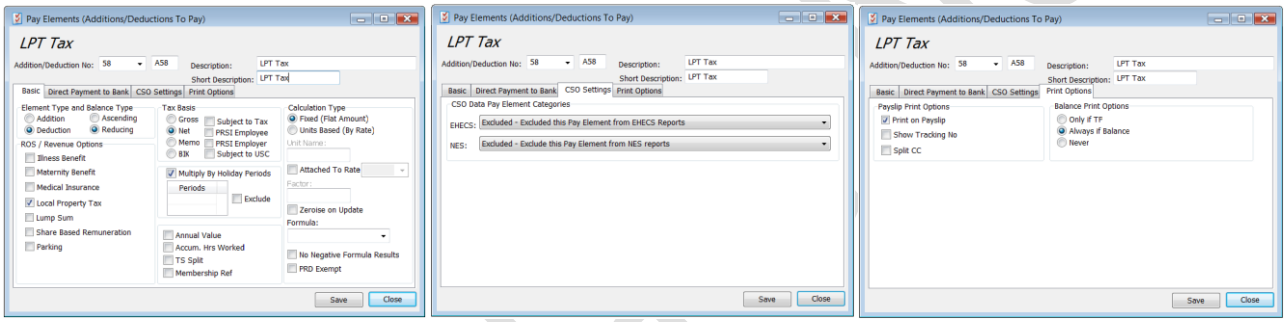
iv. CSO Settings Tab
    1. Set EHECS to "Excluded – Exclude this Pay Element from EHECS Reports"
    2. Set NES to "Excluded – Exclude this Pay Element from NES Reports"

v. Print Options Tab
    1. Set Payslip Print Options to "Print on Payslip"
    2. Set Balance Print Options to "Always if Balance"

vi. Save

vii. Please note ***EuroPay Xtra*** will only allow one LPT Tax Pay Element to be created

viii. Screen shots of LPT Tax Pay Element Set-up



(b) To manually enter LPT details on an Employee Master File [Employee], [View Modify Details (Current)] or Double-click on Employee

i. Select Employee then

ii. PAYE Tab

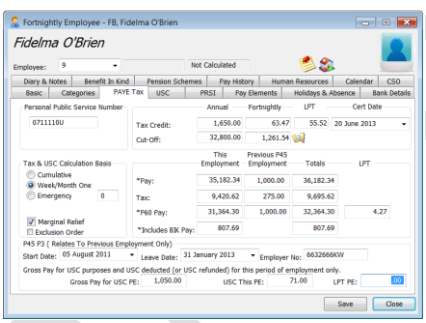
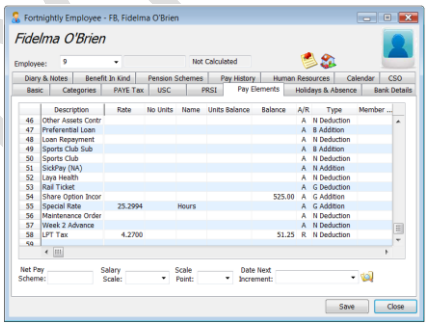
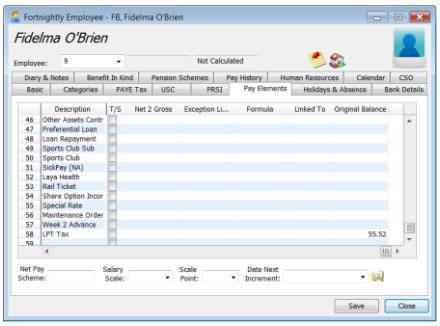
1. Enter LPT Amount (greater than or equal to zero) as per LPT value on Tax Cert in LPT field and this will auto feed the Pay Element Tab with the relevant data (see (iii) below)
2. The LPT amount entered must be collected in full from the Employee, by the Employer, by the end of Tax Year unless
    a. The Employee Leaves
    b. A new P2C sets the LPT amount to zero (0.00) – if this happens then
        A. The Employer ceases to deduct LPT with immediate effect
        B. No LPT refunds are allowed through Payroll as per Revenue instructions. If such a refund is due, the employee must apply directly to Revenue. It is not, repeat not, the responsibility of the Employer / Pension Provider

LPT Update Notes

3. Enter Date of Cert under Cert Date
4. Amend Tax Basis, Tax Credit, Tax Cut-Off and USC details if necessary
5. Enter LPT Previous Employment in P45 P3 section at the bottom of the screen. Please note that the amount entered here has no calculation purpose, but will allow you to send a correct P45 P3 XML file via ROS for a new starter.

iii. Pay Element Tab

1. Scroll down to LPT Tax pay element
2. Please check that the following fields have been auto filled as per 4 (b) ii. 1 above – DO NOT MANUALLY EDIT THESE FIELDS
    a. Default Rate = Total Amount Outstanding / Number of Pay Periods Remaining in the Tax Year – for example the default rate of €4.27 in middle screen shot below, is calculated by dividing €51.25 (Total Amount Outstanding) by 12 (The number of Fortnightly Payroll Periods remaining in the Tax Year)
    b. Balance = Total Amount Remaining to be collected by 31 December (Reducing Balance)
    c. Original Balance (Scroll to last column on right) = LPT to be collected as per P2C
    d. These fields should not be amended as they fed from the LPT amount as per 4 (b) ii 1 above
3. Screen shots of LPT Tax Pay Element Set-up on Employee Master File

5 Calculate Payroll in your normal way using any of the following methods

- Create Default Timesheets
- TimeSheet Link
- Timesheet Calculate
- Adjust & Calculate
- Calculate

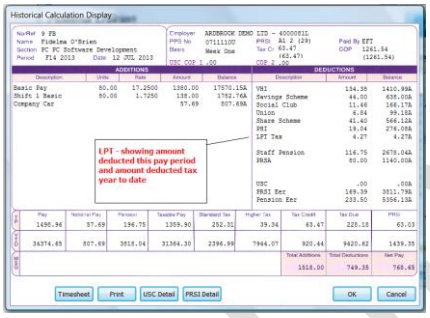
LPT Update Notes

If Payroll Run Date is on or before 30th June 2013, all LPT Data in the Employee Master File will be ignored for the purposes of Payroll Calculation

If Payroll Run date is on or after 1st July 2013, all LPT Data in the Employee Master File will be included for the purposes of Payroll Calculation

6 When the Payroll is calculated LPT will appear or be included on the following reports

- Payslips
  - i. LPT deducted this period
  - ii. LPT Year to Date Balance – the amount of LPT deducted in current Tax Year
- Gross to Net Reports (included in Net Deductions)
- Company, Cost Centre, Department and Employee Analysis Reports
- Addition / Deduction Reports
- Other miscellaneous reports including P45s for leavers and P60s for Employees at the year end
- P35 at Year End
- Screen shots of Payslip and Gross to Net Report



GROSS TO NET (INCLUDING NOTIONAL PAY) for ARDBROOK DEMO LTD

Period(s) Fortnight 14 2013

Page 1 12 July 2013 at 16:05

Emp #	Name	Basic Pay	Gross Adjustments	Notional Pay	Employee Pension	Taxable Pay	Pay for USC	Tax	USC	Employee PRSI	Net Adjustments	Net Pay	Employer PRSI	Employer Pension	Employer Cost
9	FB, F O'Brien	1,361.25	117.09	57.69	195.20	1,340.83	1,555.07	220.56	.00	62.20	-241.79	758.59	167.17	230.40	1,875.91
9		1,361.25	117.09	57.69	195.20	1,340.83	1,555.07	220.56	.00	62.20	-241.79	758.59	167.17	230.40	1,875.91

7 Perform Period Update

- [Payroll Run], [Period Update] from main payroll menu
- Follow on-screen instructions – no change
- When finished the following Employee LPT Data will be updated
  - i. Reducing Balance Updated
  - ii. LPT Year to Date figures
  - iii. Software recalculates the default LPT amount based on the amount of LPT outstanding (Reducing Balance) / by the number of Pay Periods remaining in the Tax Year – this caters for the occasions when an employee, for whatever reason, does not get paid in a particular pay

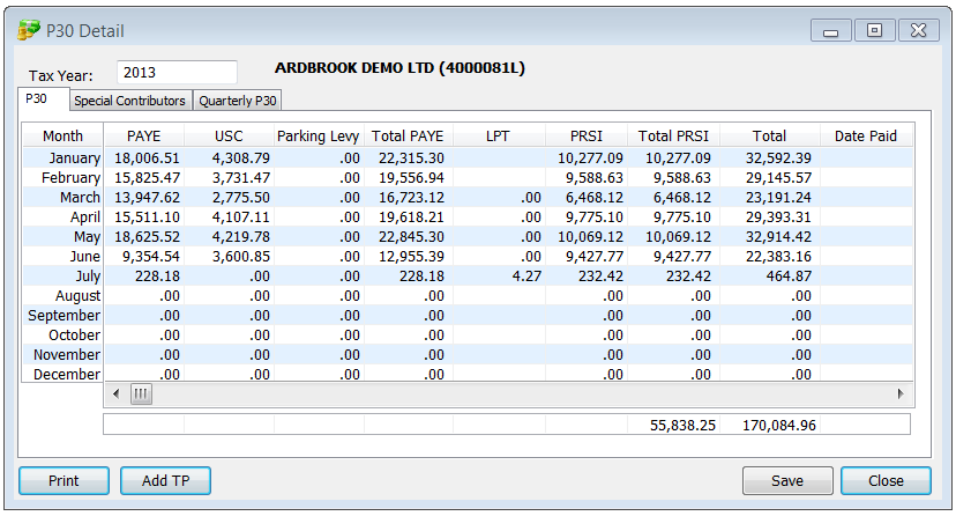
LPT Office Notes

period, ***EuroPay Xtra*** automatically adjusts the LPT amount to be collected in future periods to ensure that the full LPT amount due per the P2C is collected by 31st December 2013

iv. Employee Pay History

v. Employee Master File History

- Updates the revised monthly P30 screen.
  - i. For pay periods on or after the 1st July 2013, the ROS P30 XML Return must show separately the amounts being remitted in respect of
    1. PAYE
    2. USC
    3. Total PRSI (Employee + Employer)
    4. LPT
  - ii. For pay periods on or before 30th June 2013, the current ROS P30 XML Return applies
  - iii. ***EuroPay Xtra*** will deal with this requirement automatically
  - iv. The P30 Record of Payments Screen has been updated to cater for LPT [Payroll Run], [P30 Details]



8 ***EuroPay Xtra*** caters for the following LPT issues and scenarios

- Employee Master File – Pay History Tab has been updated to include a column for LPT
- Employee Master File – Calendar Tab – Employee Master File History Screens have been updated to include LPT
- Leavers – when an employee leaves, the P45 Report and P45 ROS XML File will automatically include the amount of LPT deducted, if any, during their period of employment with you.

LPT Release Notes

- An amended P2C
    i. If the employer receives an amended P2C which includes a change in the LPT amount to be collected, once this is imported or manually input in the relevant field on Employee Master PAYE Tab, the system will auto adjust the default amount to be collected in future payroll periods in order to ensure that the total LPT amount due, per the latest P2C, is collected in full by 31 December.
    ii. Where the LPT amount due per the P2C, is less than that already collected, the system will automatically cease the deduction of LPT in future payroll periods. However, the employer is not, repeat not, to give a refund of the LPT overpaid. This repayment must be sought by the employee directly from Revenue.
    iii. Where the LPT amount on the amended P2C is now zero (0.00), having previously been greater than zero (0.00), then the instruction to the Employer is to cease the deduction of LPT from this employee with immediate effect. If the Employee is due a refund, that refund cannot be put through payroll and must be claimed directly from Revenue by the Employee.
- New Starters – provided that the LPT deducted from a previous employer, if any, is entered in the relevant field (as per 4 (b) ii 5 above), the P45 P3 XML File to ROS will incorporate this figure. As noted in 4 (b) ii 5 above, this figure is not to be entered anywhere else in ***EuroPay Xtra***, as the new Employer will be informed of the required LPT deduction, if any, via the P2C.
- Refunds – the Revenue have stated in their LPT documentation, that the Employer is not allowed to refund overpayments of LPT and if such refunds are due, the Employee concerned must contact Revenue directly.
- Year-End – as part of the year end cleardown, no LPT values are to be carried forward from one tax year to the next, as people liable to LPT may choose a different payment method each year and the amounts due may change as people's circumstances change. ***EuroPay Xtra***, will automatically zeroise all LPT amounts as part of the year end cleardown, and the Employer will be informed of the LPT amounts to be collected during the new Tax Year by the that year's P2C.
- P60 – the year end P60, which an Employer, is legally obliged to give to Employees in their employ at the 31st December of any Tax Year by the following 15th February, has been amended to include LPT deducted during the relevant Tax Year, as per Revenue's template.

Useful Telephone Numbers and Websites

For information on the operation of the LPT contact the Employer Information and Customer Service Unit on 1890 – 25 – 45 – 65 or if calling from outside the Republic of Ireland please phone + 353 – 67 – 63400

LPT FAQs for Employers may be found at http://www.revenue.ie/en/tax/lpt/faqs-employers.pdf
Revenue LPT eBrief 16/13 may be found at http://www.revenue.ie/en/practitioner/ebrief/2013/no-162013.html

LPT Update Notes

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LPT & PAYDAY

From the 1st July 2013, Local Property Tax (LPT) may be deductible from an Employee's or Pensioner's net pay, where the Employer has received a direct instruction from Revenue by way of an updated Employee / Pensioner P2C. The Employer has a responsibility to ensure that the correct amounts are deducted, employees informed and the LPT amounts remitted to the Revenue on the monthly P30 return.

LPT has required many changes to be made to the payroll software. These changes include but are not limited to:-

- Employee Master File
- Employee History
- Payroll Calculation Routines
- All applicable Reports
- Employee Payslip
- Employee P60
- P30 & P30 / P35 Comparison Screens
- P2C (Tax Credits) ROS Imports
- ROS Returns
    - Monthly P30
    - Year End P35
    - P45 P1 – Leaver
- Period Update
- Year End Update

The basic steps for implementation of LPT within ***PayDay*** are set out below.

1 Install the Mid Year LPT ***PayDay*** Software Update

2 LPT Data will be fed by Revenue to employers via the P2C and only the P2C. The instruction to deduct LPT must come from the Revenue and not the Employee. LPT data on P45s from new employees is to be ignored for LPT purposes by a new Employer. Effectively LPT is to be recorded for this Employment only, as with PRSI.

3 The LPT figure on the P2C represents the amount of LPT to be deducted from the Employee by the Employer from the date of the cert to the end of the Tax Year.

4 There are two ways of setting up LPT within ***PayDay***

- Electronically
- Manually

LPT Update Notes

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Electronic Set-Up

(a) On opening a Dataset, if LPT Tax pay element does not exist, ***PayDay*** auto creates

(b) ROS P2C Import ([Year end], [Import P2C (Tax Credit) File...], automatically

i. Checks if LPT Tax pay element exists
ii. Populates all required fields on the Employee Master File
    1. USC Tab
        d. Total LPT to be deducted for the period to 31 December
        e. Maintains a record of total LPT deducted during the Tax Year
    2. Elements Tab – LPT Tax Pay Element
        f. The amount to be deducted per payroll period
        g. Sets the Reducing Balance figure to Total LPT to be Deducted to 31 December
        h. Maintains a record of total LPT deducted during the Tax Year
        i. Please note fields b and c are protected by default but may be amended if required

Manual Set-Up

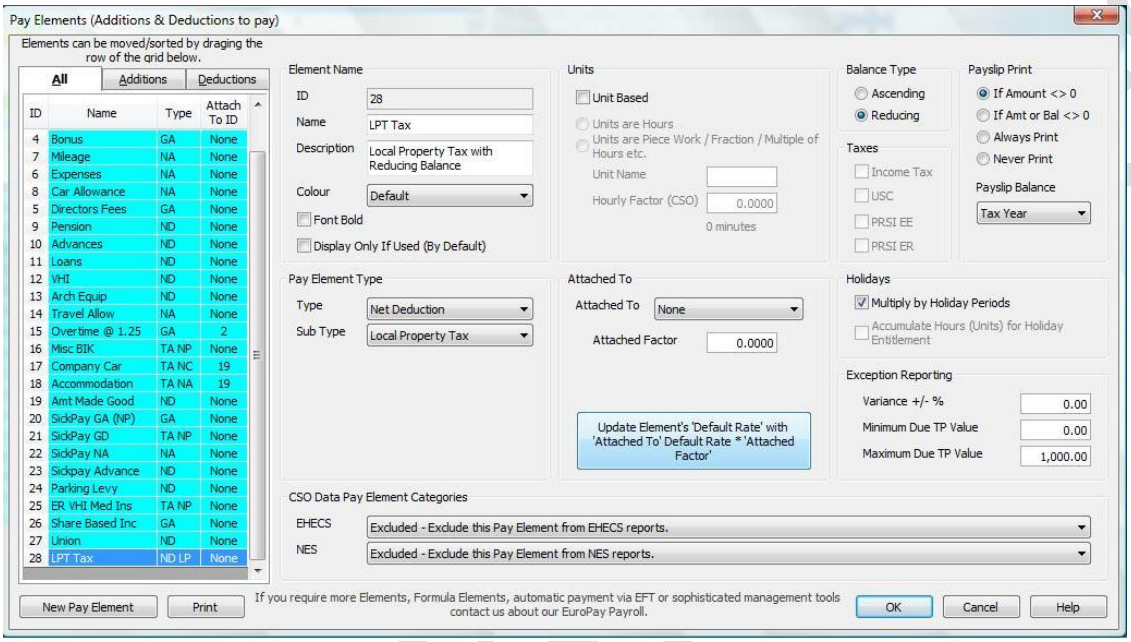
(a) If the LPT Tax pay element does is not automatically set-up as outlined above, it may be necessary to check out or set-up the pay element, LPT Tax, manually.

i. Open DataSet

ii. [Parameters], [Pay Elements] from Main Menu
    1. Check LPT Tax pay element is not set up – use scroll bar on the pay element grid on left side of screen. If it does not exist then
    2. New Pay Element (bottom left of screen)
    3. OK to accept the next available pay element number
    4. Enter desired name of new pay element eg LPT Tax – please note the limited amount of space available for description (15 characters approximately) on payslip
    5. Enter Description
    6. Set Type to “Net Deduction”
    7. Set Sub Type to “Local Property Tax”
    8. Set Balance Type to “Reducing”
    9. Set Payslip Print to “If Amt or Bal <> 0”
    10. Set Multiply by Holiday Periods “On”

LPT Update Notes

11. Set EHECS to "Excluded – Exclude this Pay Element from EHECS Reports"
12. Set NES to "Excluded – Exclude this Pay Element from NES Reports"
13. OK to Save



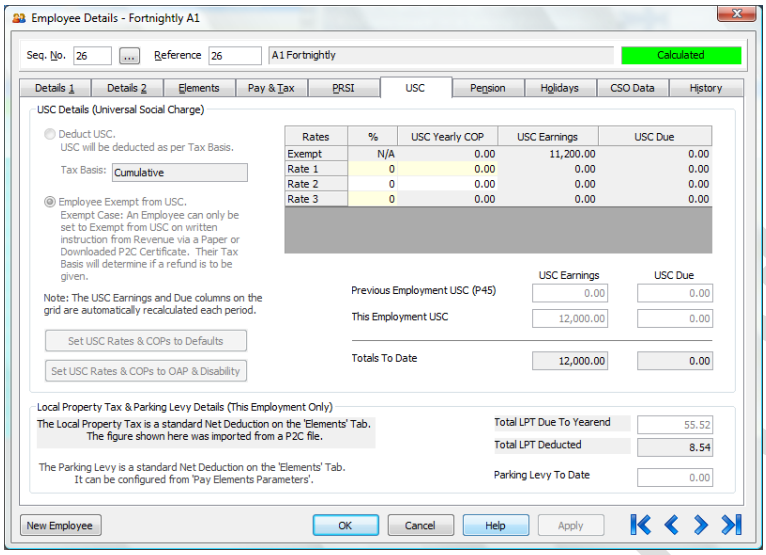
(b) To manually enter LPT details on an Employee Master File [Employees], [Employee Details] or right-click on Employee's name

i. Select Employee then

ii. USC Tab

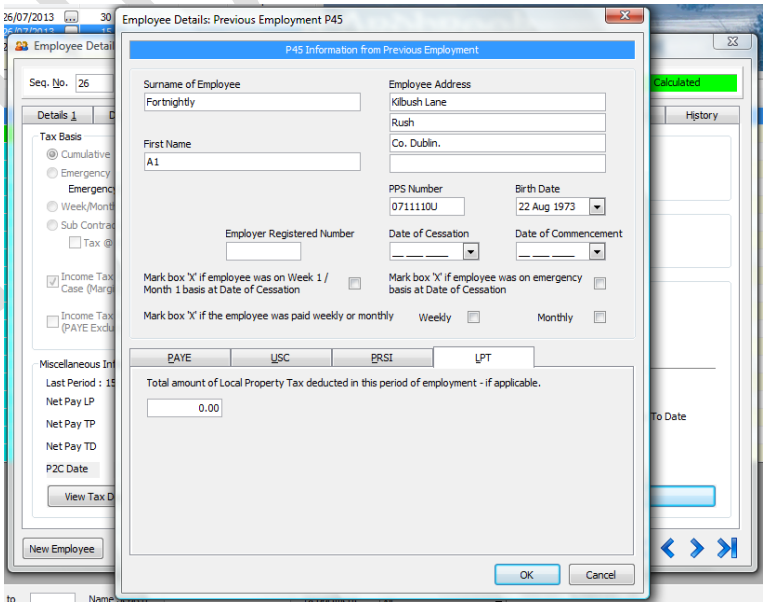
1. Enter LPT Amount (greater than or equal to zero) as per LPT value on Tax Cert in LPT field - Total LPT Due This Tax Year on bottom right of screen
2. The LPT amount entered must be collected in full from the Employee, by the Employer, by the end of Tax Year unless
    a. The Employee Leaves
    b. A new P2C sets the LPT amount to zero (0.00) – if this happens then
        A. The Employer ceases to deduct LPT with immediate effect
        B. No LPT refunds are allowed through Payroll as per Revenue instructions. If such a refund is due, the employee must apply directly to Revenue. It is not, repeat not, the responsibility of the Employer / Pension Provider
    c. Amend USC details if necessary

LPT Updates



iii. Pay & Tax Tab

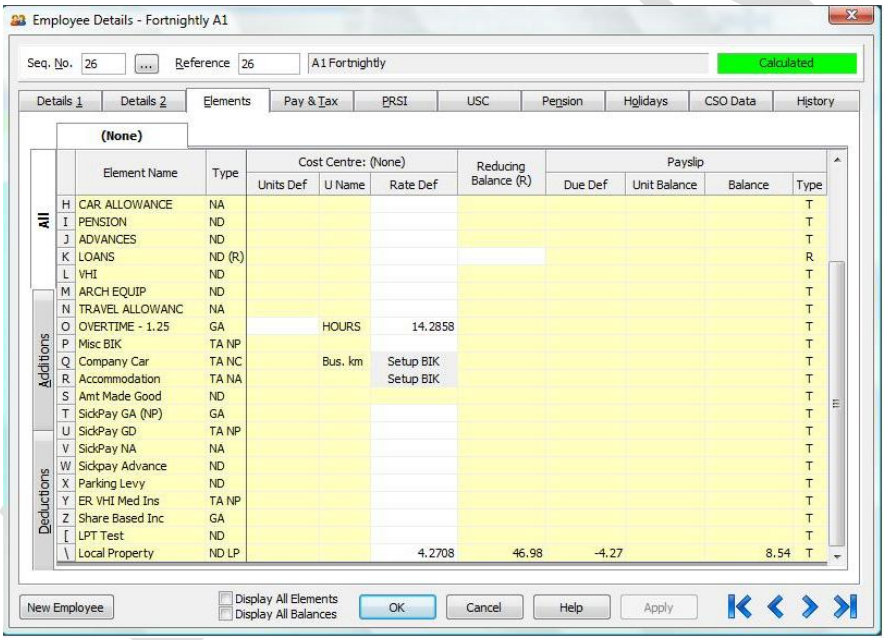
1. If Employee is a New Starter and if the Employee has paid LPT in his previous employment, you may wish to enter the LPT deducted as per the P45 in the employee record. If so, then
2. Select “View Previous Employment P45 Details” - LPT Tab
3. Enter LPT Previous Employment. Please note that the amount entered here has no calculation purpose, but will allow you to send a correct P45 P3 XML file via ROS for a new starter. This option will be available in ***PayDay*** for 2014.



LPT Update Notes

iv. Elements Tab

1. Scroll down to LPT Tax pay element
2. Please check that the following fields have been auto filled as per 4 (b) ii 1 above – DO NOT MANUALLY EDIT THESE FIELDS
   a. Default Rate = Total Amount Outstanding / Number of Pay Periods Remaining in the Tax Year – for example the default rate of €4.27 in middle screen shot below, is calculated by dividing €46.98 (Total Amount Remaining to be deducted by 31 December – the Reducing Balance Balance) by 11 (The number of Fortnightly Payroll Periods remaining in the Tax Year)
   b. Reducing Balance (R) = Total Amount Remaining to be collected by 31 December
   c. These fields are protected and should not be amended



5 Calculate Payroll in your normal way using any of the following methods

- Adjust & Calculate
- Calculate
- Time & Recording

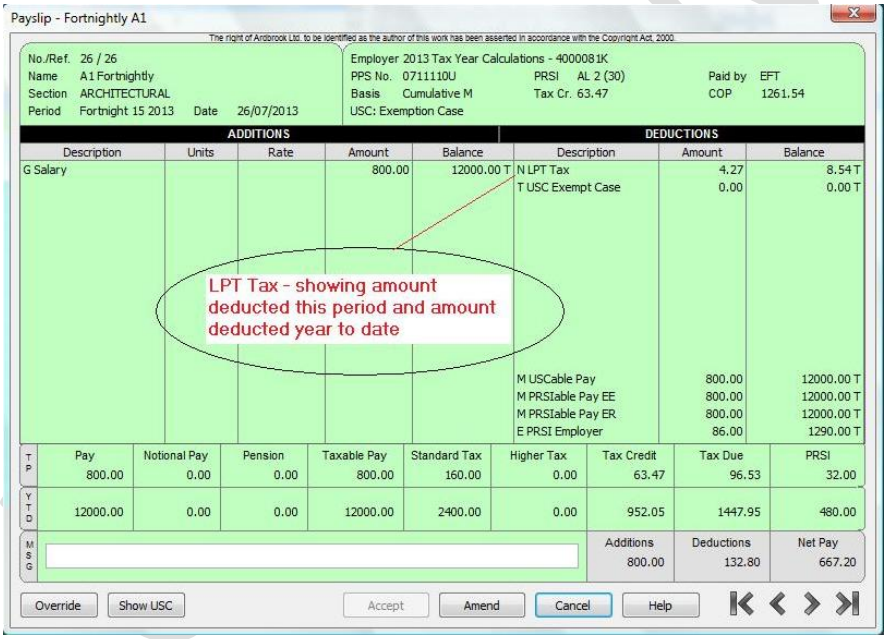
If Payroll Run Date is on or before 30th June 2013, all LPT Data in the Employee Master File will be ignored for the purposes of Payroll Calculation

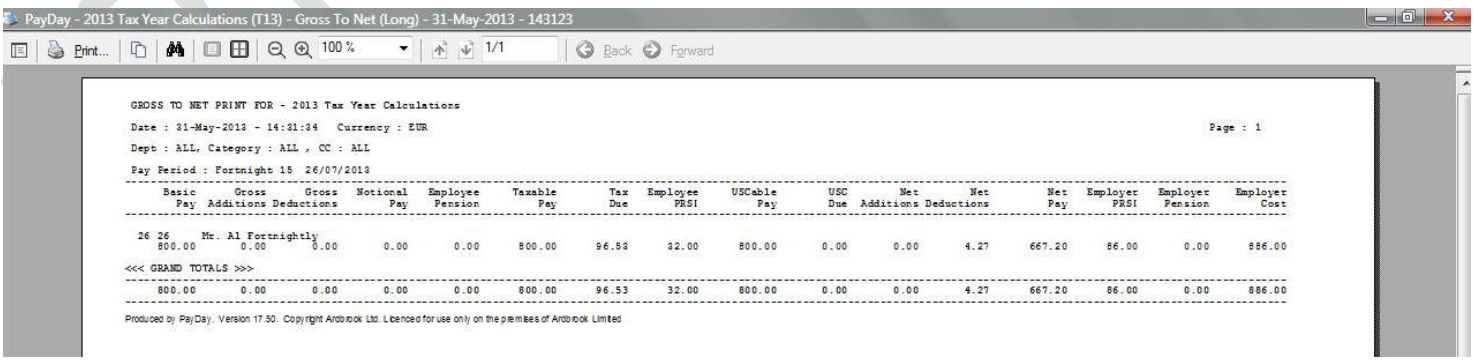
LPT Notes

If Payroll Run date is on or after 1st July 2013, all LPT Data in the Employee Master File will be included for the purposes of Payroll Calculation

6 When the Payroll is calculated LPT will appear or be included on the following reports

- Payslips
    i. LPT deducted this period
    ii. LPT Year to Date Balance – the amount of LPT deducted in current Tax Year
- Gross to Net Reports (included in Net Deductions)
- Departmental & Company Analysis Reports
- Addition / Deduction Reports
- Other miscellaneous reports including P45s for leavers and P60s for Employees at the year end





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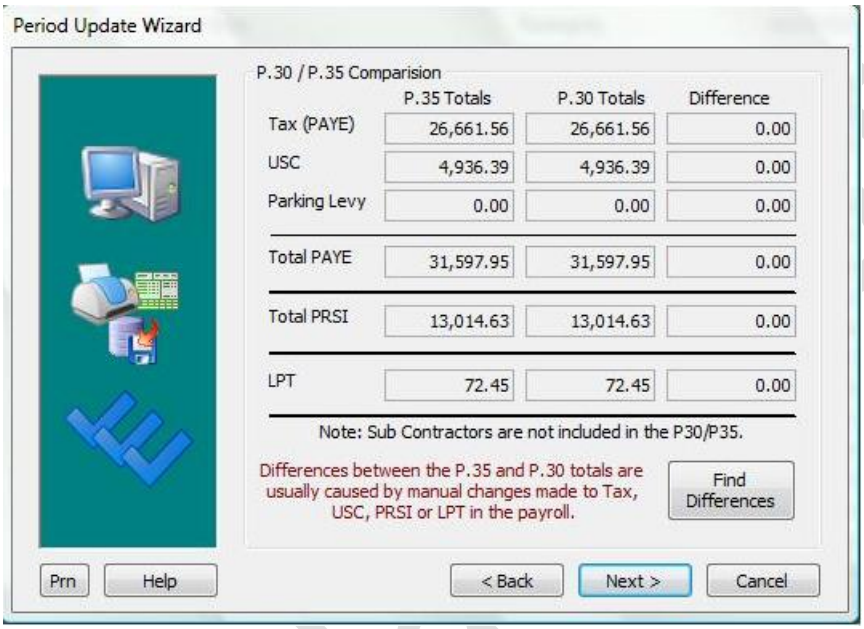
7 Perform Period Update

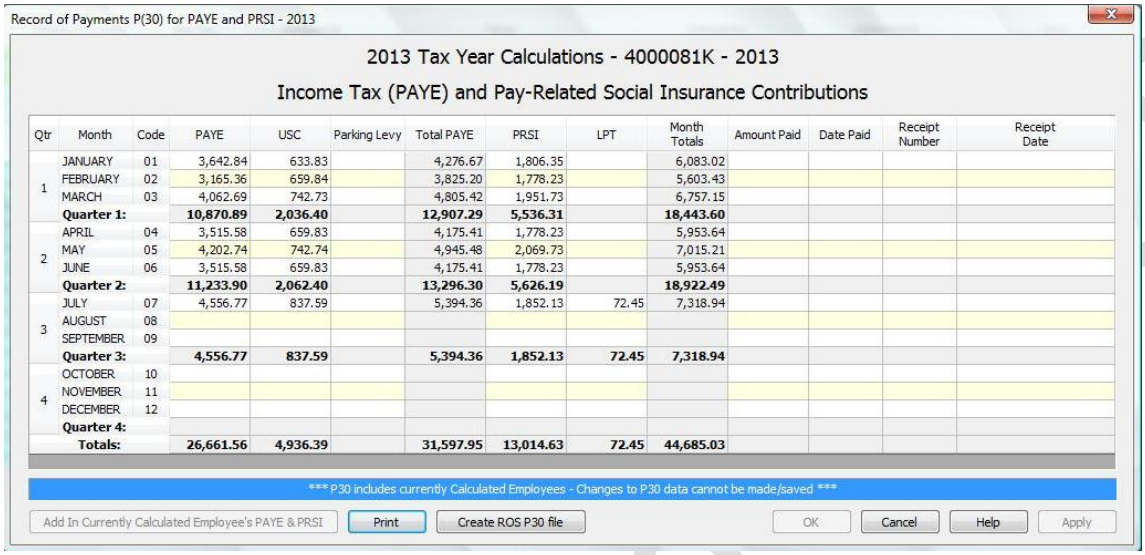
- [Payroll Run], [Period Update] from main payroll menu
- Follow on-screen instructions – no change here but with one exception – LPT data now included on P30 / P35 Comparison screens



- When finished the following Employee LPT Data will be updated
  - i. Reducing Balance Updated
  - ii. LPT Year to Date figures
  - iii. Software recalculates the default LPT amount based on the amount of LPT outstanding (Reducing Balance) / by the number of Pay Periods remaining in the Tax Year – this caters for the occasions when an employee, for whatever reason, does not get paid in a particular pay period, ***PayDay*** automatically adjusts the LPT amount to be collected in future periods to ensure that the full LPT amount due per the P2C is collected by 31st December 2013
  - iv. Employee Pay History
- Updates the revised monthly P30 screen.
  - i. For pay periods on or after the 1st July 2013, the ROS P30 XML Return must show separately the amounts being remitted in respect of
    1. PAYE
    2. USC
    3. Total PRSI (Employee + Employer)
    4. LPT
  - ii. For pay periods on or before 30th June 2013, the current ROS P30 XML Return applies

LPT Upgrades

iii. ***PayDay*** will deal with this requirement automatically



Qtr	Month	Code	PAYE	USC	Parking Levy	Total PAYE	PRSI	LPT	Month Totals	Amount Paid	Date Paid	Receipt Number	Receipt Date
1	JANUARY	01	3,642.84	633.83		4,276.67	1,806.35		6,083.02				
	FEBRUARY	02	3,165.36	659.84		3,825.20	1,778.23		5,603.43				
	MARCH	03	4,062.69	742.73		4,805.42	1,951.73		6,757.15				
	Quarter 1:		**10,870.89**	**2,036.40**		**12,907.29**	**5,536.31**		**18,443.60**				
2	APRIL	04	3,515.58	659.83		4,175.41	1,778.23		5,953.64				
	MAY	05	4,202.74	742.74		4,945.48	2,069.73		7,015.21				
	JUNE	06	3,515.58	659.83		4,175.41	1,778.23		5,953.64				
	Quarter 2:		**11,233.90**	**2,062.40**		**13,296.30**	**5,626.19**		**18,922.49**				
3	JULY	07	4,556.77	837.59		5,394.36	1,852.13	72.45	7,318.94				
	AUGUST	08											
	SEPTEMBER	09											
	Quarter 3:		**4,556.77**	**837.59**		**5,394.36**	**1,852.13**	**72.45**	**7,318.94**				
4	OCTOBER	10											
	NOVEMBER	11											
	DECEMBER	12											
	Quarter 4:												
	Totals:		**26,661.56**	**4,936.39**		**31,597.95**	**13,014.63**	**72.45**	**44,685.03**				

8 ***PayDay*** caters for the following LPT issues and scenarios

- Employee Master File – Pay History Tab has been updated to include a column for LPT
- Leavers – when an employee leaves, the P45 Report and P45 ROS XML File will automatically include the amount of LPT deducted, if any, during their period of employment with you.
- An amended P2C
    i. If the employer receives an amended P2C which includes a change in the LPT amount to be collected, once this is imported or manually input in the relevant field on Employee Master USC Tab, the system will auto adjust the default amount to be collected in future payroll periods in order to ensure that the total LPT amount due, per the latest P2C, is collected in full by 31 December.
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- New Starters – provided that the LPT deducted from a previous Employer, if any, is entered in the relevant field (as per 4 (b) iii 3 above), the P45 P3 XML File to ROS will incorporate this figure. As noted in 4 (b) ii 5 above, this figure is not to be entered anywhere else in ***PayDay***, as the new Employer will be informed of the required LPT deduction, if any, via the P2C.

LPT Update

- Refunds – the Revenue have stated in their LPT documentation, that the Employer is not allowed to refund overpayments of LPT and if such refunds are due, the Employee concerned must contact Revenue directly.
- Year-End – as part of the year end cleardown, no LPT values are to be carried forward from one tax year to the next, as people liable to LPT may choose a different payment method each year and the amounts due may change as people's circumstances change. ***PayDay***, will automatically zeroise all LPT amounts as part of the year end cleardown, and the Employer will be informed of the LPT amounts to be collected during the new Tax Year by the that year's P2C.
- P60 – the year end P60, which an Employer, is legally obliged to give to Employees in their employ at the 31st December of any Tax Year by the following 15th February, has been amended to include LPT deducted during the relevant Tax Year, as per Revenue's template.

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LPT Update Notes

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Tax Calendar

Dates Normal Year	Week	Fortnight	4 Weekly
01 Jan – 07 Jan	01	01	01
08 Jan – 14 Jan	02	01	01
15 Jan – 21 Jan	03	02	01
22 Jan – 28 Jan	04	02	01
29 Jan – 04 Feb	05	03	02
25 Feb – 11 Feb	06	03	02
12 Feb – 18 Feb	07	04	02
19 Feb – 25 Feb	08	04	02
26 Feb – 04 Mar	09	05	03
05 Mar – 11 Mar	10	05	03
12 Mar – 18 Mar	11	06	03
19 Mar – 25 Mar	12	06	03
26 Mar – 01 Apr	13	07	04
02 Apr – 08 Apr	14	07	04
09 Apr – 15 Apr	15	08	04
16 Apr – 22 Apr	16	08	04
23 Apr – 29 Apr	17	09	05
30 Apr – 06 May	18	09	05
07 May – 13 May	19	10	05
14 May – 20 May	20	10	05
21 May – 27 May	21	11	06
28 May – 03 Jun	22	11	06
04 Jun – 10 Jun	23	12	06
11 Jun – 17 Jun	24	12	06
18 Jun – 24 Jun	25	13	07
25 Jun – 01 Jul	26	13	07
02 Jul – 08 Jul	27	14	07
09 Jul – 15 Jul	28	14	07
16 Jul – 22 Jul	29	15	08
23 Jul – 29 Jul	30	15	08
30 Jul – 05 Aug	31	16	08
06 Aug – 12 Aug	32	16	08
13 Aug – 19 Aug	33	17	09
20 Aug – 26 Aug	34	17	09
27 Aug – 02 Sep	35	18	09
03 Sep – 09 Sep	36	18	09
10 Sep – 16 Sep	37	19	10
17 Sep – 23 Sep	38	19	10
24 Sep – 30 Sep	39	20	10
01 Oct – 07 Oct	40	20	10
08 Oct – 14 Oct	41	21	11
15 Oct – 21 Oct	42	21	11
22 Oct – 28 Oct	43	22	11
29 Oct – 04 Nov	44	22	11
05 Nov – 11 Nov	45	23	12
12 Nov – 18 Nov	46	23	12
19 Nov – 25 Nov	47	24	12
26 Nov – 02 Dec	48	24	12
03 Dec – 09 Dec	49	25	13
10 Dec – 16 Dec	50	25	13
17 Dec – 23 Dec	51	26	13

Dates Leap Year	Week	Fortnight	4 Weekly
01 Jan – 07 Jan	01	01	01
08 Jan – 14 Jan	02	01	01
15 Jan – 21 Jan	03	02	01
22 Jan – 28 Jan	04	02	01
29 Jan – 04 Feb	05	03	02
05 Feb – 11 Feb	06	03	02
12 Feb – 18 Feb	07	04	02
19 Feb – 25 Feb	08	04	02
26 Feb – 03 Mar	09	05	03
04 Mar – 10 Mar	10	05	03
11 Mar – 17 Mar	11	06	03
18 Mar – 24 Mar	12	06	03
25 Mar – 31 Mar	13	07	04
01 Apr – 07 Apr	14	07	04
08 Apr – 14 Apr	15	08	04
15 Apr – 21 Apr	16	08	04
22 Apr – 28 Apr	17	09	05
29 Apr – 05 May	18	09	05
06 May – 12 May	19	10	05
13 May – 19 May	20	10	05
20 May – 26 May	21	11	06
27 May – 02 Jun	22	11	06
03 Jun – 09 Jun	23	12	06
10 Jun – 16 Jun	24	12	06
17 Jun – 23 Jun	25	13	07
24 Jun – 30 Jun	26	13	07
01 Jul – 07 Jul	27	14	07
08 Jul – 14 Jul	28	14	07
15 Jul – 21 Jul	29	15	08
22 Jul – 28 Jul	30	15	08
29 Jul – 04 Aug	31	16	08
05 Aug – 11 Aug	32	16	08
12 Aug – 18 Aug	33	17	09
19 Aug – 25 Aug	34	17	09
26 Aug – 01 Sep	35	18	09
02 Sep – 08 Sep	36	18	09
09 Sep – 15 Sep	37	19	10
16 Sep – 22 Sep	38	19	10
23 Sep – 29 Sep	39	20	10
30 Sep – 06 Oct	40	20	10
07 Oct – 13 Oct	41	21	11
14 Oct – 20 Oct	42	21	11
21 Oct – 27 Oct	43	22	11
28 Oct – 03 Nov	44	22	11
04 Nov – 10 Nov	45	23	12
11 Nov – 17 Nov	46	23	12
18 Nov – 24 Nov	47	24	12
25 Nov – 01 Dec	48	24	12
02 Dec – 08 Dec	49	25	13
09 Dec – 15 Dec	50	25	13
16 Dec – 22 Dec	51	26	13

Dates	Twice Nonthly	Month
01 Jan – 15 Jan	01	01
16 Jan – 31 Jan	02	01
01 Feb – 15 Feb	03	02
16 Feb – 28/9 Feb	04	02
01 Mar – 15 Mar	05	03
16 Mar – 31 Mar	06	03
01 Apr – 15 Apr	07	04
16 Apr – 30 Apr	08	04
01 May – 15 May	09	05
16 May – 31 May	10	05
01 Jun – 15 Jun	11	06
16 Jun – 30 Jun	12	06
01 Jul – 15 Jul	13	07
16 Jul – 31 Jul	14	07
01 Aug – 15 Aug	15	08
16 Aug – 31 Aug	16	08
01 Sep – 15 Sep	17	09
16 Sep – 30 Sep	18	09
01 Oct – 15 Oct	19	10
16 Oct – 31 Oct	20	10
01 Nov – 15 Nov	21	11
16 Nov – 30 Nov	22	11
01 Dec – 15 Dec	23	12
16 Dec – 31 Dec	24	12

Ardbrook