Ardbrook

Trusted Software Solutions

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

> **Important Notice**
>
> These Update Notes and the Update CD or Email contain important information relating to your *PayDay* or *EuroPay Xtra* Payroll Software
>
> Please ensure that this is brought to the attention of your Payroll Staff

TAX YEAR-END CHECKLIST

What To Do At The Year-End

The order in which you decide to do the Year-End routines will be determined by your own specific requirements. Factors such as time constraints, back-up requirements etc. can affect the order of things. If you are unsure of the best way to do your Tax Year-End please read the Tax Year-End Checklist included with these notes. However, no matter in which order you run your Tax Year-End options you must do a Tax Year-End Cleardown of your data before you can run the first period of the New Tax Year

P35 Returns

All P35 returns from computerised payrolls must be sent to Revenue via ROS. The latest date for lodging a P35 return for the 2013 Tax Year is 15 February 2014. Any balance due of PAYE, PRSI, USC or LPT must be remitted at the same time.

Useful Telephone Numbers and Websites

For information on making an electronic P35 return please contact +353 – 67 – 44149 for General ROS queries and +353 – 1890 – 201106 for Technical ROS queries
Information on the making a manual P35 return please phone + 353 – 67 – 63147

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 2013, 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, where applicable. For *EuroPay Xtra* users, a Z-fold Pressure Seal P60 print option is available.

Useful Information Sources

*****P60 Template www.ros.ie/schemas/p60/laser/Form%20P60%20Laser.doc

USC & PRD Year-End Certificates

As the 2013 P60 now includes all relevant USC data, and where applicable includes Local Property Tax (LPT) 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 or LPT Cert. The P60 contains all required information.

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

Payroll Year-End Cleardown

Before you can run the first pay period of the New Year, you must perform a cleardown of pay, PAYE, PRSI, USC, PRD, LPT, holidays and pension tax year-to-date balances. In addition, to the foregoing, the cleardown also performs other essential "housekeeping duties".

After cleardown, it will be necessary that you load the 2014 P2C file(s) as downloaded from ROS or input manually any 2014 paper P2C(s) received prior to running the first payroll period of 2014. The 2014 Tax Credit (P2C) Import routine may only be run after the 2013 Year-End Cleardown has been performed.

Please be aware that in *PayDay*, employees who were marked as leavers during 2012 will not be removed from the dataset and will be carried forward to the new tax year. As in *EuroPay Xtra* such employees are maintained on the system for historical reporting and analysis purposes but are marked as "Previous Leavers" and will not appear on Current Employee pop-up lists.

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:

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

As the tax certificate for 2014 also includes an employee's USC Cut Off Points (COPs)/rate bands used to calculate the individual's USC liability and Local Property Tax (LPT) (if an employee has chosen this payment option for the Tax), 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.

Motor Vehicle BIK

From 1 January 2014 distances recorded for use in Motor Vehicle BIK calculations must be recorded in Kilometres. As part of the Year End Cleardown your software will auto convert, where applicable, distance values from Miles to Kilometres and completely turn off the ability to record such distances in miles. After the cleardown has been completed, please check that the converted figures are correct and amend if necessary prior to running the first payroll period of 2014.

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7.   I   T: +353 1 838 2921   I   F: +353 1 838 3098   I   E: info@ardbrook.ie   I   W: www.ardbrook.ie

Tax Year-End Checklist

This page contains a checklist of reports and functions to be performed in your payroll when closing off 2013 and entering the 2014 Tax Year. For further information, see the documentation provided or the various websites highlighted herein.

Closing off 2013 Checklist

- o Install the 2013 / 2014 Year-End / Tax Year Update CD /Download if you haven't already done so
- o Ensure all payroll frequencies are Period Updated (Status should show Updated or Not Used).
- o Back-up and / or Copy the DataSet and store securely, preferably off-site
- o Print the P35 Validation Report. This will list employees with invalid or missing PPS Numbers, missing Dates of Birth and Addresses. The missing or invalid data should be entered or amended prior to producing the P35L Return XML File (for ROS) and printing Employee P60s
- o Print Plain Paper P35 report for your own records and check for anomalies
- o Produce P35L Return XML File for ROS – since the 2011 tax year it is mandatory to file the P35 using ROS
- o Upload P35L Return via ROS and print the confirmation screen
  - Note: When creating the P35L XML file for ROS, you may see a popup message screen stating that there are negative USC figures included in the file. This can happen in certain circumstances and there is nothing to be alarmed about and ROS should accept such a file without difficulty.
- o Print Employee P60s, in English or as Gaeilge, using either the Plain Paper or the Z fold Pressure Seal (*EuroPay Xtra* only) options or alternatively email (English only) the P60s (*EuroPay Xtra* only)
- o If applicable, print the Year-End Pension Related Deduction (PRD) Certificates
- o Run "Clear-Down Payroll" option from the "Year-End" Menu

Entering 2014 Checklist

- o 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 the 2012 change in the operation of the Universal Social Charge from a Week 1 Basis to a Cumulative Basis and possible LPT implications, it is essential that the latest Employee P2Cs are loaded immediately for 2014. Otherwise, Employees may have an under payment of USC, which will be clawed back in subsequent pay periods further reducing Net Pay and LPT deductions may need to higher in subsequent pay periods to ensure the full amount of LPT due is collected by 31 December 2014. It is essential when entering P2Cs manually that both the Rates and Annual Cut-Off Points (COPs) fields are entered as per the Employee's Tax Credit Certificate (P2C) and LPT is entered as appropriate.
- o Print the P2C "Tax Credit Import Process Report"
- o Optional – if you wish to list the contents of the Tax Credit (P2C) File print "Tax Credit File Print" report
- o Manually enter any additional Paper Tax Credits (P2C) (don't forget both PAYE and USC Cut-Off Points and USC Rates and LPT Data where applicable) issued after your ROS download
- o Check that the Universal Social Charge parameters are set correctly
- o Ensure all Sick Pay will be taxed for 2014 but exempted from PRSI and USC
- o Where applicable ensure Share Based Remuneration is subject to Employee PRSI only and the Share Based Remuneration tick box on Pay Element Parameter Screen is set on (ticked) for 2014 P35 purposes
- o Amend Central Statistics Office EHECS and NES survey parameters, if necessary
- o Check Motor Vehicle BIK distances, where applicable, have been converted to Kilometres & amend if required
- o Run the first period of the new Tax Year

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

COMMENT

Dear Payroll User,

Welcome to our Year-End Update notes.

Budget 2014 sees some minor changes to the taxation system. The main changes are:-

- o The number of USC Cut-Off Points and Rates of USC remain unchanged
- o PAYE Rates, Tax Credits and Cut-Off Points are unchanged for 2014
- o Sick Pay for the first 36 days which was Taxable but exempt from both USC & PRSI in 2012, is unchanged for 2014
- o LPT will be deducted over the full tax year for employees who have selected this method of payment for 2014
- o The lower rate of Employer rate, which was reduced on the 1st of July 2011 to 4.25% reverts back to 8.50% from the 1st of January 2014
- o Distances for Motor Vehicle BIK calculation purposes must be recorded in Kilometres from the 1st January 2014
- o Some PRD rates have been changed and are effective from 1 January 2014

The Year-End

We hope you find this document useful. Please read the Update Notes carefully in conjunction with the Checklist as they give more 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, 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.

We would like to take this opportunity to thank you most sincerely for your continued business, it is greatly appreciated and to wish you and yours a very happy and peaceful Christmas and an error free and successful payroll year in 2014.

Ardbrook Ltd
December 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

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

BUDGET NOTES

INTRODUCTION

The enclosed CD contains 2013 Year-End Updates and 2014 Calculation Routines 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 Tax Year-End Checklist with guidelines as to how to do a typical Year-End.

We would suggest that you keep these notes in a safe place, but easily available to you as a reference when running your payroll during the coming year.

 Before installing the update, please read all notes carefully.

INSTALLATION GUIDELINES

Please install your 2014 Tax 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, LPT 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 run the 2013 Year-End Cleardown and move into the 2014 Tax Year. No update, no Year-End Cleardown no 2014 payroll

To install the Update, please

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

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

BUDGET 2014 AND PAYE

Operation of PAYE

The top rate of tax remains at 41%, the standard rate is unchanged at 20% and the Marginal Rate continues to be 40%.

For 2014, Personal Tax Credits and Cut-Off Points remain unchanged, but it is still essential that the latest P2Cs are loaded immediately. Otherwise, employees may have an underpayment of tax, which may be clawed back in subsequent pay periods.

Employers should have or will shortly receive a PAYE Notice to Employers detailing the operation of the PAYE system for 2014.

Marginal Relief Rate of Tax 40%

Some employees (mainly over 65s) are entitled to claim a tax exemption if their total income is less than the relevant exemption limit. A P2C will issue to the employer as normal but if the employee subsequently earns income above the exemption limit, tax is chargeable at the marginal relief rate of 40%. Since 2008 the P2C shows the 40% tax rate for such employees.

Standard Rate Cut-Off Point (SRCOP)

This is the personal tax amount as adjusted for any non-PAYE income and tax reliefs due at the higher rate of tax. In each pay period an employee pays tax at the Standard Rate, 20%, up to the Cut-Off Point and at the higher rate, 41% or 40% if Marginal Rate applies, on income, if any, in excess of the Cut-Off point.

Tax Rates and Tax Bands

The Standard Rate remains at 20% and the Higher Rate at 41%. The Marginal Rate remains unchanged at 40%, for those employees to whom it applies.

The Bands of Taxable Income for the 2014 Tax Year (2013 in Brackets) are as follows:

Single / Widowed (Without dependent children)	€32,800 (€32,800) @ 20% Balance @ 41% or 40% if Marginal Rate applies
Single / Widowed (One-Parent Family Tax Credit)	€36,800 (€36,800) @ 20% Balance @ 41% or 40% if Marginal Rate applies
Married Couple (One spouse with income)	€41,800 (€41,800) @ 20% Balance @ 41% or 40% if Marginal Rate applies
Married Couple (Both spouses with income)	€41,800 – 65,600 (€41,800 – 65,600) @ 20% Balance @ 41% or 40% if Marginal Rate applies

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

Tax Credits

Entitlement to a Tax Credit is dependent on personal circumstances, eg married, non-PAYE Income etc.

Single	€1,650 (€1,650)
Married	€3,300 (€3,300)
PAYE	€1,650 (€1,650)

Emergency Tax

Emergency Tax parameters and the method of operation remain unchanged for 2014.

	Tax Credit	Cut-Off Point
Weekly	€32 (€32)	€631 (€631)
Monthly	€138 (€138)	€2,734 (€2,734)

BIK – Notional Pay

There are a couple of changes in the treatment of Notional Pay for 2014.

Motor Vehicles

The basis of the BIK rate applicable to motor vehicles will change from miles to kilometres with effect from 1 January 2014. This change will apply the kilometre provisions in <u>all</u> circumstances from 1 January 2014. This provision was initially in Finance (No 2) Act of 2008 but never happened due to lack of a commencement order. The revised bandings based on kilometres are as follows:-

Business Travel Lower Limit (Kms)	Business Travel Upper Limit (Kms)	% of Original Market Value
0	24,000	30%
24,000	32,000	24%
32,000	40,000	18%
40,000	48,000	12%
48,000	-	6%

Preferential Loans

The specified interest rate on Preferential Loans from an Employer to an Employee is remains at 4% in respect of Qualifying Home Loans and at 13.5% in respect of Other Loans.

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

Other

The benefit-in-kind charge on a motor vehicle may be changed to reflect the car's level of CO_2 emissions, in order to tie in with new CO_2 based Car Taxation system.

Please note that the effective date for the introduction of this amendment was due back in 2009, but has yet to be implemented and may be introduced during the 2014 tax year by way of Ministerial Order. It will only be relevant to motor vehicles first registered on or after the date of implementation. Motor vehicles registered prior to the date of implementation continue to use the existing rules for the calculation of the BIK charge

EuroPay Xtra

EuroPay Xtra has the new options for BIK in the software but they should not be activated or used until such time as the Minister sets the implementation date.

- Options, Pay Controls, Payroll Tab – ensure Use BIK CO_2 tick box is turned on
- Options, Code Tables, Vehicles – new column added, CO_2 Based – yes / no answer required – only relevant to motor vehicles registered for the first time after the date of implementation of the new rules
- Employee, View Modify Details, BIK tab – click on required motor vehicle – new field will display the CO_2 Category for relevant vehicles
- The look up tables in respect to business travel used in determining BIK tax rate are now kilometre based, and the rounding has been changed accordingly. You will have the option of setting the vehicle as being kilometre or miles based

PayDay

PayDay has the new options for BIK in the software but they should not be activated or used until such time as the Minister sets the implementation date. For a detailed description as to the steps involved in using the new options, please consult the online help.

Please refer to the Revenue Employers' Guide and the USC FAQs for information on the correct operation of PAYE, PRSI and USC with respect to certain benefits.

Taxation of Disability (Illness) Benefit for 2014

Because significant numbers of employees receive Disability Benefit, the taxing of Disability Benefit will be relevant to you.

Disability Benefit in the 2013 Tax Year was taxable but exempt from both USC and PRSI, and this remains unchanged for 2014. Please check the parameters your Sick Pay/Illness Benefit/Disability Benefit pay element to ensure that for 2014 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 2013.

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

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 2012/13 and remains the case for 2014.

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 Benefit from 1 July 2013

From 1 July 2013, Maternity Benefit has been taxable, but it is dealt with through the P2C and other than ensuring that you are using the latest P2C for the affected employees, there are no further responsibilities for the employer. Any issues that may arise are between the employee, the Revenue and the Department of Social Protection. If changes are required the employer will be informed by through a revised P2C for that employee.

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

BUDGET 2014 AND PRSI

In 2013, there was no relief for either Employee PRSI or Employer PRSI in respect of employee pension contributions (excluding Pension Related Deduction). This remains the case for 2014.

Employers

There is one change to rates for 2014.

Following the May 2011 Jobs Initiative, a change was made to the lower rate of Employer PRSI, from 8.50% to 4.25%. This change was effective 2 July 2011, the start of Week 27. The revised lower rate continued to be applied in both 2012 and 2013. This duration of this reduction, two and a half years was set out in legislation and consequently the rate reverts to 8.50% with effect from 1 January 2014.

Employees

There are no changes in rates for 2014. As in 2013, the reckonable earnings for the calculation of Employee PRSI, is not reduced by the Employee's Pension Contributions.

Share-Based Remuneration

Budget 2011 imposed employer and employee PRSI on all share-based remuneration. However, as part of the new Government's Jobs Initiative announced in May 2011, it was decided to abolish the employer element of PRSI on share-based remuneration entirely. Following discussions with interested parties, the Government decided that this additional charge on employers needlessly increased the costs of doing business in Ireland and had the potential to negatively affect current employment levels and future investment decisions.

As a transitional arrangement the Minister for Finance issued notice on the 18th of March 2011 that the charge to PRSI, both employee and employer, on share-based remuneration would not apply where it was the subject of a written agreement, entered into between the employer and the employee before 1 January 2011. Notwithstanding this notice, the Minister for Finance has now clarified that the employee PRSI charge applies to all share-based remuneration from start of the 2012 tax year. Therefore, regardless of when agreements were entered into, from 1 January 2012, the employee PRSI charge applies in all cases with the exception of shares already held in an Employee Share Ownership Trust (ESOP) before 1 January 2012. Since 1 January 2012 there is no charge to employer PRSI on share-based remuneration. This treatment is unchanged for 2014.

If applicable, ensure Share Based Remuneration is subject to Employee PRSI only and the Share Based Remuneration tick box on the Pay Element Parameter Screen is set on (ticked) for 2014 P35 purposes

BUDGET 2014 AND USC

There are no changes to the rates or operational rules for The Universal Social Charge (USC) for 2014.

The Universal Social Charge (USC) which came into effect on 1 January 2011 is payable on gross income. On 1 January 2012, the deduction of USC changed from a Week 1 Basis to a Cumulative Basis, similar to the manner in which PAYE is deducted. Employer Tax Credit Certificates (P2Cs) as well as incorporating / displaying PAYE Rates and PAYE Cut-Off Points, now feature USC Rates and USC Cut-Off Points. As with PAYE, USC may be calculated on a Cumulative, Week 1 or Emergency basis dependent upon an employee's individual circumstance. If an employee is exempt from USC, this will be indicated on their P2C. Again as with PAYE, Cut-Off Points are individualised but rates are universal. Since 1 January 2012 Employers are no longer required to deal with the issues of Medical Cards and the ages of Employees, this is the function of Revenue and the employer's sole responsibility is to deduct USC in line with the Cut-Off Points and Rates as stated on the P2C. Should an employee wish to make changes to their Cut-Off Points, the point of reference is not the Employer but their Local Tax Office, and if amendments are necessary, the employer will be informed by receiving an updated/amended P2C from Revenue with respect to that employee.

For 2014 the only possible options are - if Cumulative for PAYE Cumulative for USC, if Week 1 for PAYE Week 1 for USC, if Emergency for PAYE Emergency for USC. However, you may be exempt from PAYE but liable to USC or liable to PAYE and exempt from USC. As with PAYE, a new cumulative P2C may result in under or overpayments of USC being refunded or recouped to / from the employee concerned.

Please note that even if you are aware that an employee has a medical card or is over 70 and therefore entitled to reduced USC rates (except employees earning in excess of €60,000), you are not permitted to use those reduced rates, until directly instructed to so do by Revenue through a new P2C. It is Revenue's and the Employee's responsibility to ensure that the correct rates of USC are applied, not the Employer's. In essence, the Employer can only do what he / she is instructed to do by Revenue by way of the P2C and by nobody else.

Standard USC Cut-Off Points and Rates

In situations where an employee has a no cumulative P2C being brought forward from 2013, then until such time as a 2014 P2C is available for an Employee, the Standard USC Cut-Off Points and Rates apply.

	USC Rate	Annual	Weekly	Monthly
Cut- Off Point 1	2% (2%)	€10,036 (€10,036)	€193.00 (€193.00)	€836.34 (€836.34)
Cut-Off Point 2	4% (4%)	€16,016 (€16,016)	€308.00 (€308.00)	€1,334.67 (€1,334.67)
Cut-Off Point 3	7% (7%)			

Emergency USC

In the absence of a P2C for an Employee the Employer must deduct USC at the rate of 7%. While the rules applicable to Emergency Tax operable in PAYE include a gradual escalation in Emergency Rates for a given period, in USC there is just a flat rate of 7% applied to all payments from day one.

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

If an employee has underpaid or overpaid USC, as a result of using the Standard Rate Cut-Off Points and Rates or the Emergency Basis, the underpayment or overpayment will be automatically rectified, once Revenue has issued an up to date P2C and instructed the Employer to put an Employee on a Cumulative Basis.

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

BUDGET 2014 AND THE PENSION RELATED DEDUCTION

For 2014, the Pension Related Deduction (PRD) continues to be calculated on a Cumulative Basis. This change came into effect on 1 January 2011. The PRD was first introduced on 1 March 2009 and was subsequently amended by the April 2009 Supplementary Budget to ameliorate the impact of the measure on lower paid civil servants. As part of the 2013 Haddington Road Agreement the 2014 Rates have been amended as per the table below – rates for 2013 are shown in brackets. The Bands remain unchanged from 2013

First €288.46 per week (€15,000 per year)	0% (0%)
From €288.47 per week to €384.62 per week (€15,000 to €20,000 per year)	2.5% (5%)
From €384.63 per week to €1,153.85 in 2010) per week (€20,000 to €60,000 per year)	10% (10%)
Earnings in excess of €1,153.85 per week (€60,000 per year)	10.5% (10.5%)

Remuneration payable from 1 January 2014 and for each full year thereafter, is subject to the levy. The PRD applies to public servants who are; members of a public service pension scheme, entitled to benefit under such a scheme, or are in receipt of a payment in lieu of being a member in such a scheme.

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

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

BUDGET 2014 AND THE PARKING LEVY

The Minster for Finance in Budget 2009, introduced a parking levy on employees provided with car parking facilities by employers in designated urban areas. These urban areas have to be identified but will be in Dublin, Cork, Galway, Limerick and Waterford. A flat rate of €200 per annum will apply. The employer must deduct the levy through *EuroPay Xtra* / *PayDay* and return the levy via the P30 Monthly / Quarterly return. Deductions will be spread throughout the year based on the employee's pay frequency. Certain employees, due to Maternity or Shift Work amongst others may benefit from a reduction in the amount to be paid. Other employees like the disabled or the retired will be exempt from payment of the levy. While the necessary powers have been signed by the Minister of Finance, a date for the introduction of the levy has still to be set. A minimum of three (3) months notice will be given prior to the commencement of the levy.

The amount of the parking levy collected from employees will be included in the PRSI box when remitting the P30 Monthly / Quarterly return.

The P35 will be required to include the number of employees from whom they have deducted the Parking Levy and the overall amount of the levy deducted.

EuroPay Xtra

Please note, the effective date for the introduction of the levy has yet to be decided and these steps are only necessary if

- o   The date of implementation is known
- o   The Company is within a designated urban area
- o   The Company provides parking facilities to its employees

1   On Options, Additions / Deductions set up new Net Deduction called Parking Levy and ensure that the Parking checkbox is ticked
2   On Employee, View Modify Details, A/D's Tab, enter the required amount to be deducted, from the relevant employees for the relevant pay frequency (i.e. weekly, monthly etc) against the new Parking Levy deduction
3   The rest is automatic – system will include the necessary figures on payslips, reports, P30 and P35 XML ROS returns

PayDay

Same caveat as *EuroPay Xtra* above applies.

1   On Parameters, Additions / Deductions set up new Net Deduction called Parking Levy and ensure that the Parking checkbox is ticked
2   On Employee, Employee Details, Elements Tab, enter the required amount to be deducted, from the relevant employees for the relevant pay frequency (ie weekly, monthly etc) against the new Parking Levy deduction
3   The rest is automatic – system will include the necessary figures on payslips, reports, P30 and P35 XML ROS returns

BUDGET 2014 AND THE CYCLE TO WORK SCHEME

From 1 January 2009, the provision of bicycles and associated safety equipment by employers to employees who agree to use the bicycles to travel to work will be treated as a tax-exempt benefit-in-kind. The tax exemption may only apply once in every 5-year period and is limited to €1,000 in respect of any one employee or director.

This scheme has no direct affect on any aspect of the payroll software.

BUDGET 2014 AND LOCAL PROPERTY TAX (LPT)

The 1st of July 2013 saw 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 2014 in one single payment or by phased payments over the period January to December 2014. 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. 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 January 2014 to 31 December 2014. The Employer / Pension Provider must commence deductions of LPT on receipt of the P2C and spread these deductions evenly over the pay periods occurring between January and December 2014. 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* were amended to cater for the operation of Local Property Tax from 1 July 2013.

For a detailed description as to how to implement LPT in *EuroPay Xtra* please see the relevant LPT Notes – from *EuroPay Xtra* main menu [Help], [Local Property Tax Notes] & in *PayDay* please see the relevant LPT Notes – from *PayDay* main menu [Help], [local Property Tax Notes] and pages 11 to 19.

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

Trusted Software Solutions

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

ARDBROOK NEWS

Ardbrook continues to invest in its product offerings and services for the benefit of all clients. We pride ourselves that the proper use of our Payroll software will ensure that your organisation is fully compliant with all regulations and requirements detailed by Revenue and the Department of Social Protection.

In addition to the regulatory changes required to support the changes introduced in the 2014 Budget we have also made a number of enhancements which provide you with additional features and make processing your payroll easier. Both *EuroPay Xtra* and *PayDay*, have been amended to cater for those clients who wish to move to SEPA (Single European Payment Area). Please see further details with respect to this change in the following *EuroPay Xtra* News and *PayDay* News sections.

Our experienced support team is readily available to all clients by telephone during normal office hours. As an existing client you will know how professional and knowledgeable they are in dealing with any queries or problems you may have. Our team continues to ensure client needs are fully serviced long after the payroll software has been bought and paid for.

Ardbrook continues to be the leading supplier of software required to generate EMTS format files required for processing Electronic Funds Transfer (EFT) transactions across the Irish Banking system. For many years our *PayCE* product range met all standard requirements of clients in this area. However, with the advent of SEPA from 1 February 2014 next for Direct Debit payments, we have developed a new product *DEFT* to cater for the complexity of this new collection method.

Standard features of *DEFT* include:-

- Ability to import data from legacy account systems to generate SEPA XML files and where necessary the ability to manually enter and maintain mandatory SEPA data
- Conversion of Sort Codes and Account Numbers to BICs and IBANs
- Generate and assign Mandate IDs (UMR) and Signature Dates
- Managing the Mandate life cycle and associated Sequence (Transaction) Types
- Generation of SEPA XML format files for Debits (SDD) and Credits (SCT)
- Ability to process SEPA "R" files either manually or electronically
- Ability to export data to legacy systems and for use in mail merge and email routines

Ardbrook's *Modulus Checker* remains the most comprehensive product on the market for validating and verifying the authenticity of Bank Sort Codes and Bank Account Numbers used by account holders with the Irish Associated Banks, Irish Credit Unions and most Non Associated Banks operating on the island of Ireland and is now SEPA compliant and will validate BICs and IBANs.

Our Sales Department would only be too happy to discuss your SEPA requirements and where *DEFT* and / or the *Modulus Checker* may be helpful within your organisation for the implementation of SEPA. Please contact us on SEPA@Ardbrook.ie for further details. Remember to 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. We would encourage you to visit our site on a regular basis to find out what new developments and features are available and which may be of use to you and your organisation. Alternatively you can always contact us by Phone to talk to us directly at +353 (0)1 8382921 or by email at info@ardbrook.ie

EUROPAY XTRA NEWS

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

For 2014, the following changes / enhancements have been to the software.

Employee Master File Pay Elements

- Pay Element exception limits can be set and reported on for each pay element at individual employee level
- Default Net 2 Gross can be set for pay elements on each employee
- Net Pay exception limit can be set and reported on at individual employee level
- Pay Elements may be linked at employee level so that a figure keyed into one pay element is automatically fed into another element
- A default Net to Gross amount may be set on any gross addition at individual employee level
- Formulas may now be entered at individual employee level for a formula based pay element
- A flag may be set for formula based pay element to ensure that if a formula results in a negative figure the answer is automatically set to zero

Employee Self Service Module

- Ability to send a common email to all or a group of employees (This can be used without the ESS Module)
- Optional creation of ESS Users on data transfer
- Optional emailing of new ESS Users of their logon and password details
- Supports Google OpenID

Miscellaneous

- Ability to create SEPA bank files added
- SEPA Payment option includes the ability to convert Sort Codes and Account Numbers to BICs and IBANs
- A flag may be set ensure an individual pay element is not included in the calculation of PRD
- Button on excel links to create extended gross to net (has standard gross to net columns plus a column for each pay element) based on Current dataset with sorting items by gross/net additions/deductionsReducing Balance Pensions

SEPA

Please be aware that you can only start to use SEPA when your Bank is ready to accept SEPA SCT (Credit) Files. Many of the banks are offering a conversion service and will continue to accept the current Standard 18 EMTS files in the medium term. If your bank is offering this service no change is required in the operation of your payroll software. Prior to moving to SEPA, please check with your sponsoring bank as a new SEPA User ID may be required and your internet banking software will require updating to cater for the upload of a SEPA XML file.

Once you and your bank are ready to move to SEPA the following steps will be required to be completed within *EuroPayX*.

- From EuroPayX main menu [Options]->[Pay Controls]->[Payroll Parameters Tab] set the EFT File Format to SEPA
- [Options]->[Pay Controls]->[Company PayPath Tab] and enter the following

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

- o Account Name
- o SEPA User ID
- o Select Type from drop down box
- o Check that BIC and IBAN are correct. Please note that *EuroPayX* will attempt to convert the company sort code and account number to BIC and IBAN.
- o Enter a default purpose code if required from drop down box
- To Convert all Employee Sort Codes and Account Numbers to BICs and IBANs from the EuroPayX main menu take [Tools]->[Data Doctor]->[Convert to BIC and IBAN]. As part of this routine, the system will highlight Sort Codes and Account Numbers that the software was unable to convert. These will need to be checked with the Employee and their Master Record manually updated prior to calculating the payroll.
- Run a report to and check all the BICs and IBANs have been converted - [Tools]->[Data Doctor]->[Reporting]->[Employee Bank Details].

Reminder

- o Check that the Universal Social Charge parameters are set correctly and to avoid USC Calculation errors it is essential when entering P2Cs manually that both the Rates and Annual Cut-Off Points (COPs) fields are entered on the Employee USC Screen as per the Employee's Tax Credit Certificate (P2C)
- o Illness Benefit (Sick Pay) is taxable but exempt from PRSI and USC as was the case for 2013. Illness Benefit paid must be shown on the year end P35. To activate, please tick the appropriate tick box on the pay element setup screen. From the main menu - [Options], [Pay Elements], [Using Addition/Deduction No. Dropdown Box, choose the relevant Pay Element] and in the middle of screen tick [Illness Benefit] box
- o Where applicable ensure Share Based Remuneration is subject to Employee PRSI only and the Share Based Remuneration tick box on Pay Element Parameter Screen is set on (ticked) for 2014 P35 purposes

PAYDAY NEWS

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

For 2014, the following changes / enhancements have been to the software

Pay Elements & Pensions

- Added support for the collection of Local Property Tax from employees and its inclusion in relevant Revenue returns
- Changed how BIK (Benefit in Kind) AMG (Amount Made Good) works

Employee Master File

- Added additional Telephone and Email Address fields
- Added ability to email individual payslips to multiple email addresses
- Added Check Boxes to stop emailing payslip when both email address(es) and password are entered.

Reporting

- Added button to Report Selection form within Report Parameters
- Increased number of lines per page in Financial Analysis Report and several others
- Added Taxable Illness Benefit into the Notional Pay Column of the Gross to Net Report ensuring report totals correctly
- For Financial Reporting software checks the Financial Year / Period Start Dates are before the End Dates when saving "Report Parameters"
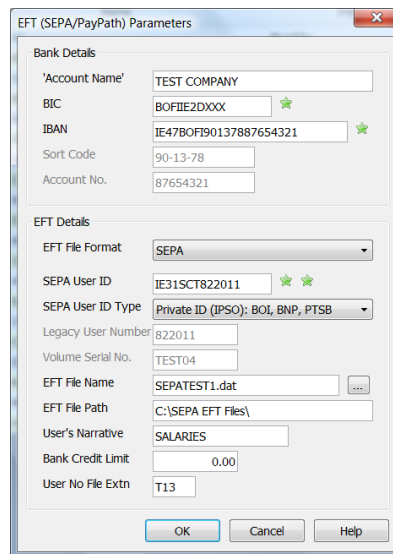
Miscellaneous

- P2C import: Validate dates, in case format changed by opening file in Excel
  Mid Period EFT Payments
- Changed to handle non-PAYEable pay elements
- Changed the Nett to Gross calculation to cater for BIK (notional) pay
- Increased the number of periods recorded for 'Hours Worked in Previous Periods' 5 to 13.

SEPA

Please be aware that you can only start to use SEPA when your Bank is ready to accept SEPA SCT (Credit) Files. Many of the banks are offering a conversion service and will continue to accept the current Standard 18 EMTS files in the medium term. If your bank is offering this service no change is required in the operation of your payroll software. Once you and your bank are ready to move to SEPA the following steps will be required to be completed within *PayDay*.
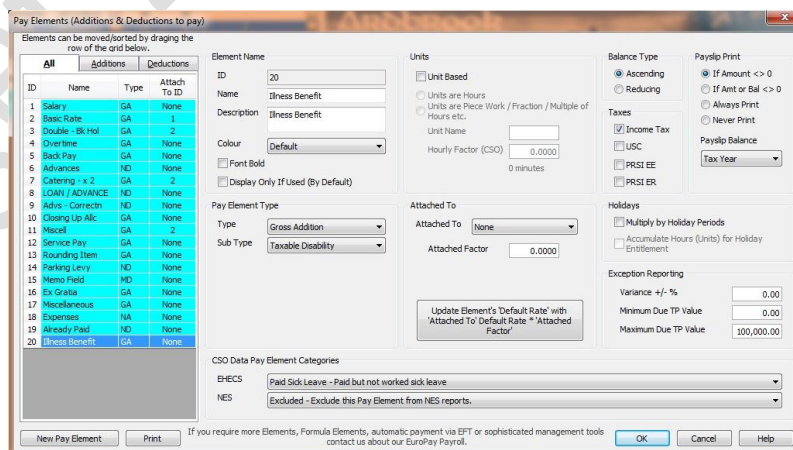
- Check all employee bank accounts are 'SEPA Reachable'. *PayDay* will show the conversion and any problems when you open a dataset. By default, employee's BICs and IBANs are printed on their payslips for them to double check
- Contact your bank to be setup for SEPA on their systems, they will give you a new SEPA User ID
- Within PayDay, select 'Parameters' and 'EFT Parameters'
  - Change the 'EFT File Format' to 'SEPA'

- o Enter your new SEPA User ID as supplied by your bank
- o Check your BIC, IBAN and SEPA User ID Type are correct
- You are now ready to create SEPA files

Reminder

- o Check that the Universal Social Charge parameters are set correctly and to avoid USC Calculation errors it is essential when entering P2Cs manually that both the Rates and Annual Cut-Off Points (COPs) fields are entered on the Employee USC Screen as per the Employee's Tax Credit Certificate (P2C)
- o Illness Benefit (Sick Pay) is taxable but exempt from PRSI and USC as was the case for 2013. From the main menu - [Parameters], [Pay Elements], [Choose the relevant Pay Element] and on the right side of the screen under [Taxes] ensure [Income Tax] is ticked (turned on) and [USC], [PRSI EE] and [PRSI ER] are unticked (turned off). In addition, Illness Benefit paid must be shown on the year end P35. To activate, from the main menu - [Parameters], [Pay Elements], [Choose the relevant Pay Element] and on the left side of the screen under [Pay Element Type] ensure [Sub Type] is set to [Taxable Disability] using the combo box

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

Christmas Break

To facilitate our customers over the tax year end we will remain open as much as possible over the holiday season

Tuesday, 24th December 2013 – Christmas Eve – Open 09:00 to 13:00

Wednesday, 25th December 2013 – Christmas Day – Closed
Thursday, 26th December 2013 – St Stephen's Day – Closed
Friday, 27th December 2013 – Closed

Saturday, 28th December 2013 – Closed
Sunday, 29th December 2013 – Closed

Monday, 30th December 2013 – Open 10:00 – 16:00
Tuesday, 31st December 2013 – New Years Eve – Open 10:00 – 13:00

Wednesday, 1st January 2014 – New Years Day – Closed

From Thursday, 2nd January 2014 – Open Normal Hours

If you require assistance or support outside of these dates please contact us ASAP to make special arrangements

Trusted Software Solutions

Ardbrook

1st Floor, 111 New Cabra Road, Dublin 7. | T: +353 1 838 2921 | F: +353 1 838 3098 | E: info@ardbrook.ie | W: www.ardbrook.ie

Tax Calendar

Dates Normal Year	Week	Fortnight	4 Weekly	Dates Leap Year	Week	Fortnight	4 Weekly	Dates	Twice Monthly	Month
01 Jan – 07 Jan	01	01	01	01 Jan – 07 Jan	01	01	01	01 Jan – 15 Jan	01	01
08 Jan – 14 Jan	02	01	01	08 Jan – 14 Jan	02	01	01	16 Jan – 31 Jan	02	01
15 Jan – 21 Jan	03	02	01	15 Jan – 21 Jan	03	02	01	01 Feb – 15 Feb	03	02
22 Jan – 28 Jan	04	02	01	22 Jan – 28 Jan	04	02	01	16 Feb – 28/9 Feb	04	02
29 Jan – 04 Feb	05	03	02	29 Jan – 04 Feb	05	03	02	01 Mar – 15 Mar	05	03
25 Feb – 11 Feb	06	03	02	05 Feb – 11 Feb	06	03	02	16 Mar – 31 Mar	06	03
12 Feb – 18 Feb	07	04	02	12 Feb – 18 Feb	07	04	02	01 Apr – 15 Apr	07	04
19 Feb – 25 Feb	08	04	02	19 Feb – 25 Feb	08	04	02	16 Apr – 30 Apr	08	04
26 Feb – 04 Mar	09	05	03	26 Feb – 03 Mar	09	05	03	01 May – 15 May	09	05
05 Mar – 11 Mar	10	05	03	04 Mar – 10 Mar	10	05	03	16 May – 31 May	10	05
12 Mar – 18 Mar	11	06	03	11 Mar – 17 Mar	11	06	03	01 Jun – 15 Jun	11	06
19 Mar – 25 Mar	12	06	03	18 Mar – 24 Mar	12	06	03	16 Jun – 30 Jun	12	06
26 Mar – 01 Apr	13	07	04	25 Mar – 31 Mar	13	07	04	01 Jul – 15 Jul	13	07
02 Apr – 08 Apr	14	07	04	01 Apr – 07 Apr	14	07	04	16 Jul – 31 Jul	14	07
09 Apr – 15 Apr	15	08	04	08 Apr – 14 Apr	15	08	04	01 Aug – 15 Aug	15	08
16 Apr – 22 Apr	16	08	04	15 Apr – 21 Apr	16	08	04	16 Aug – 31 Aug	16	08
23 Apr – 29 Apr	17	09	05	22 Apr – 28 Apr	17	09	05	01 Sep – 15 Sep	17	09
30 Apr – 06 May	18	09	05	29 Apr – 05 May	18	09	05	16 Sep – 30 Sep	18	09
07 May – 13 May	19	10	05	06 May – 12 May	19	10	05	01 Oct – 15 Oct	19	10
14 May – 20 May	20	10	05	13 May – 19 May	20	10	05	16 Oct – 31 Oct	20	10
21 May – 27 May	21	11	06	20 May – 26 May	21	11	06	01 Nov – 15 Nov	21	11
28 May – 03 Jun	22	11	06	27 May – 02 Jun	22	11	06	16 Nov – 30 Nov	22	11
04 Jun – 10 Jun	23	12	06	03 Jun – 09 Jun	23	12	06	01 Dec – 15 Dec	23	12
11 Jun – 17 Jun	24	12	06	10 Jun – 16 Jun	24	12	06	16 Dec – 31 Dec	24	12
18 Jun – 24 Jun	25	13	07	17 Jun – 23 Jun	25	13	07			
25 Jun – 01 Jul	26	13	07	24 Jun – 30 Jun	26	13	07			
02 Jul – 08 Jul	27	14	07	01 Jul – 07 Jul	27	14	07			
09 Jul – 15 Jul	28	14	07	08 Jul – 14 Jul	28	14	07			
16 Jul – 22 Jul	29	15	08	15 Jul – 21 Jul	29	15	08			
23 Jul – 29 Jul	30	15	08	22 Jul – 28 Jul	30	15	08			
30 Jul – 05 Aug	31	16	08	29 Jul – 04 Aug	31	16	08			
06 Aug – 12 Aug	32	16	08	05 Aug – 11 Aug	32	16	08			
13 Aug – 19 Aug	33	17	09	12 Aug – 18 Aug	33	17	09			
20 Aug – 26 Aug	34	17	09	19 Aug – 25 Aug	34	17	09			
27 Aug – 02 Sep	35	18	09	26 Aug – 01 Sep	35	18	09			
03 Sep – 09 Sep	36	18	09	02 Sep – 08 Sep	36	18	09			
10 Sep – 16 Sep	37	19	10	09 Sep – 15 Sep	37	19	10			
17 Sep – 23 Sep	38	19	10	16 Sep – 22 Sep	38	19	10			
24 Sep – 30 Sep	39	20	10	23 Sep – 29 Sep	39	20	10			
01 Oct – 07 Oct	40	20	10	30 Sep – 06 Oct	40	20	10			
08 Oct – 14 Oct	41	21	11	07 Oct – 13 Oct	41	21	11			
15 Oct – 21 Oct	42	21	11	14 Oct – 20 Oct	42	21	11			
22 Oct – 28 Oct	43	22	11	21 Oct – 27 Oct	43	22	11			
29 Oct – 04 Nov	44	22	11	28 Oct – 03 Nov	44	22	11			
05 Nov – 11 Nov	45	23	12	04 Nov – 10 Nov	45	23	12			
12 Nov – 18 Nov	46	23	12	11 Nov – 17 Nov	46	23	12			
19 Nov – 25 Nov	47	24	12	18 Nov – 24 Nov	47	24	12			
26 Nov – 02 Dec	48	24	12	25 Nov – 01 Dec	48	24	12			
03 Dec – 09 Dec	49	25	13	02 Dec – 08 Dec	49	25	13			
10 Dec – 16 Dec	50	25	13	09 Dec – 15 Dec	50	25	13			
17 Dec – 23 Dec	51	26	13	16 Dec – 22 Dec	51	26	13			
24 Dec – 30 Dec	52	26	13	23 Dec – 29 Dec	52	26	13			
31 Dec	53	27	14	30 Dec - 31 Dec	53	27	14			