



Guide to PAYE Modernisation

from 1st of January, 2019



TRUSTED SOFTWARE SOLUTIONS



Introduction

PAYE Modernisation or real time reporting comes into effect on 1st January 2019 as a method:

1. *To ensure Revenue, Employers and Employees are always working with the most up to date and accurate information*
2. *To ensure Employers record and process payroll taxes and charges correctly and on time*
3. *To allow employees manage how their allowances and credits are assigned. This is particularly important for couples or those with multiple employments across the year.*

PAYE Modernisation opens a new two-way method of communication with Revenue regarding an employee's tax details. By operating in real time Revenue will ensure that the correct tax details are being used at the time of payroll payments to the employee. Employers will be required to submit payroll information to Revenue every time the employee is paid to ensure Revenue have accurate information for those employees at all times.

All current 'P' Forms - P2C, P30, P35, P45, P46 and P60 will be replaced by a continuous exchange of data between payroll software systems and ROS by either of two methods. Direct Payroll Reporting enables Payroll Software to automatically upload data over the internet, encrypted by standard HTTPS / TLS or ROS Payroll Reporting which allows for the manual upload and download of files via the ROS website. Your existing ROS password and certificate are used to prove who you are.

Revenue, under PAYE Modernisation will expect On-Time and Accurate data from Employers and have made legislative changes to ensure compliance with this.

In a nutshell, these changes mean that employers must return payroll information every time they pay their employees. This is a significant change, the first since PAYE was introduced in 1960. These changes will materially impact on your current payroll processes and expose non-compliant Employers to possible Revenue Audits and penalties.



Preparing for PAYE Modernisation

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STEP ONE List of Employees

Revenue require employers to send a list of their current employees to Revenue to ensure that both Revenue and employer records are accurate and that they match. To create the List of Employees, go to the ROS menu in EuroPay or PayDay and take the Employee List option and follow the on-screen instructions. Logon to ROS and under Employee Services click on the List of Employees, follow the on-screen instructions and upload the file. This needs to be done BEFORE the end of October 2018 to ensure your employees get their correct allowances and credits from the start of 2019. Below is a link to a guide to the List of Employees.



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STEP TWO

Plan for PAYE Modernisation

1. Ensure each active employee has their correct and validated PPSN. P45 all leavers if you've not already done so and submit a clean Employee List to Revenue by 31 October.
2. Employees with concurrent contracts with the same Employer require a unique employment ID for each contract. Re-joiners within the same tax year also need to have unique employment IDs for each period of employment.
3. Employers are required to use the most recent RPN details available when processing the payroll. You should take this opportunity to review and assess all Payroll procedures and practices.
4. A Payroll Run Submission must be sent to Revenue on or before the date the Employee receives a payment
5. Changes and adjustments required to correct payment errors should always be made in the following pay period. Amendments to prior periods should only arise to correct exceptional issues
6. Inform all employees it will be in their best interest to register on Revenue's myAccount to ensure accurate RPN details are available to the Employer. The Employee will be on Emergency Tax until the Employer receives a valid RPN from Revenue.
7. Employers can receive "zero value" RPN details for employees e.g. if they decide to assign their full allowances and credits to another concurrent employment. Put a process in place to highlight and discuss any such "zero value" RPNs with the affected employees before the Payroll is processed.
8. Review your IT systems. Ensure you are using Windows 7 or later, that your Payroll software is from a reputable and trusted provider and that you have access to your ROS DigiCert and Password
9. For confidentiality, thought may need to be given to using a separate Employer Registered Number for Director / Executive payrolls. Any additional payroll will require its own ROS DigiCert
10. If you provide Payroll Bureau services, you'll need to co-ordinate all these activities with each of your clients. Your clients, the employers, will need to set you up with an Agent TAIN and each Employer will need to assign you with Payroll access, so allow time and resources for this

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STEP THREE

Familiarise yourself with the new terminology and processes

Revenue Payroll Notification (RPN), Payroll Run Submission (PRS), Pay Date (Date Paid) and Payments.



Detail

RPN

Revenue Payroll Notification

This is the new name for the current tax credit certificate (P2C). It will be used to retrieve PAYE details for both new and existing employees. Employers will be able to request an RPN from Revenue directly through EuroPay and PayDay where employers will have instant access to changes to an employee's tax credits. The RPN will provide you with the necessary information to deduct the correct Income Tax, USC and LPT from the employee. The change-over in January 2019 may result in a lot of RPNs with zero values. To minimise this, Employers should advise their employees to access their myAccount with Revenue now to validate their allowances and credits are correctly assigned.

The screenshot displays the Revenue Employer Services portal. At the top, the header includes the Revenue logo, the text 'PREM reg no.: 08000521CH', and user options 'Gaeilge' and 'Sign out'. The main content area is titled 'Employer Services' and features a 'Back to ROS' link. Two primary action cards are visible: 'Request Revenue Payroll Notification (RPNs)' and 'Submit Payroll'. The 'Request RPNs' card contains the text 'Request the necessary information to accurately prepare your payroll for existing and new employees.' and a 'Request RPNs' link. The 'Submit Payroll' card contains the text 'Submit payroll information extracted from your payroll software. Alternatively avail of our online form to manually enter the data.' and a 'Submit payroll' link. The footer contains links for 'Revenue Home', 'Accessibility', 'System Requirements', 'Terms & Conditions', 'Privacy Policy', 'Certification Policy Statement', and 'Certification Practice Statement'.

PREM reg no.: 08000521CH

Gaeilge Sign out

Revenue
Cairdeas agus Cúnamh do hÉireann
Irish Tax and Customs

Employer Services

← Back to ROS

① Request Revenue Payroll Notification (RPNs)

Request the necessary information to accurately prepare your payroll for existing and new employees.

[Request RPNs](#)

① Submit Payroll

Submit payroll information extracted from your payroll software. Alternatively avail of our online form to manually enter the data.

[Submit payroll](#)

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

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

Sample Revenue PAYE Mod Screen

Will be used to submit payroll data to Revenue for each pay period and eliminates both P30s and P35s. On or before the date you make a payment to your employee, you will report the required payroll information to Revenue by either of the following two methods.

Direct Payroll Reporting – where payroll software communicates seamlessly with Revenue Online System (ROS) and exchanges the required information.

ROS Payroll Reporting – where you use files created by payroll software and upload these through ROS. While it is possible to make manual submissions to Revenue, when using Payroll software it is best that all submissions are handled through your Payroll application. This is to ensure that your Payroll records and those of Revenue are always kept in sync.

For each payroll submission, you must provide Revenue with payroll information for each employee, including the payment date, pay, Income Tax, USC, PRSI employee, PRSI employer and LPT deducted. And, where applicable start and leave dates for new employees and leavers.

The screenshot shows the PayDay software interface. The 'Payroll Run' menu is open, displaying options such as 'P30 Record of Payments...', 'P35L Return for ROS...', 'P45 Return for ROS...', 'P45 Part 3 / P46 Return for ROS...', 'Import P2C (Tax Credit) File...', 'Print P2C (Tax Credit) File...', 'P2C (Tax Credit) Import Process Report...', 'Revenue Online Services (ROS) Site', and 'List of Employees...'. The 'List of Employees...' option is highlighted with a red box. Below the menu, a table lists employees with columns for Status, Frequency, Pay Date, PPS Number, Employment ID, Frequency, Cost Centre, Department, and Post. The table includes 14 employees, with the first 11 marked as 'Not Calculated', 1 as 'Suspended', and 1 as 'On Holidays'. The status bar at the bottom indicates 14 matches, 11 not calculated, 0 calculated, 1 suspended, 1 on holidays, 1 leaver, 0 previous leavers, and 0 selected. The currency is set to EUR and the year is 2018.

Status	Frequency	Pay Date	PPS Number	Employment ID	Frequency	Cost Centre	Department	Post
Not Calculated	Weekly	09/03/2018	7013430SA	0	Weekly	PC	2	Technician, engineer
Not Calculated	Weekly	09/03/2018	7013427GA	0	Weekly	PC	2	IT Support
Not Calculated	Weekly	09/03/2018	7013428IA	0	Weekly	WH	3	Clerk, warehouse
Not Calculated	Weekly	09/03/2018	7013467SA	0	Weekly	PS	6	IT Support
Not Calculated	Weekly	09/03/2018	7013469WA	0	Weekly	TS	6	Clerk, bookkeeping/i
Not Calculated	Weekly	09/03/2018	7013434DA	0	Weekly	MID	2	Clerk, computing ms
Not Calculated	Weekly	09/03/2018	7013397AA	0	Weekly	WH	3	Department manage
Not Calculated	Weekly	09/03/2018	7013399EA	0	Weekly	TS	6	Analyst, systems/cor
Not Calculated	Weekly	09/03/2018	7013439NA	0	Weekly	WH	3	Clerk, warehouse
Not Calculated	Weekly	09/03/2018	7013402NA	0	Weekly	APP	2	Analyst, communica
Not Calculated	Weekly	09/03/2018	7013401LA	0	Weekly	TS	6	Analyst, systems/cor
Not Calculated	Weekly	09/03/2018	7013443IA	0	Weekly	FIN	5	Accountant, chartere
Not Calculated	Weekly	09/03/2018	7013404RA	0	Weekly	PC	2	Programmer, technic
Not Calculated	Weekly	09/03/2018	7013403PA	0	Weekly	PC	2	Programmer, technic

Sample Payday PAYE Mod Screen



Payments

Revenue will issue a monthly statement on the fifth day of the following month containing a summary of total liability broken down into Income Tax, USC, PRSI and LPT. You can view the statement and then either accept the statement or correct payroll data if the statement is incorrect. If you find errors in the statement, you must correct them. These corrections will then be shown in a revised statement. The statement will be treated as the return if no amendments or corrections are made before the return due date (14th of the following month). These corrections will then be shown in a revised statement. Payment due dates will remain the same.

Quarterly and annual remitters will now have a monthly statement issued by Revenue which becomes their monthly return. Quarterly and annual remitters will now have to file monthly returns, but the payment due date will remain the same.

Lookup Payroll By Return Period Response

Month	Quarter	Returns for (None)					Employer Registration Number	Agent TAIN	Return Period Start Date	Return Period End Date	Date Last Updated	Version
		Tax On Income	PRSI	USC	LPT	Total						
01 January		7,249.42	5,482.44	1,345.70	60.60	14,138.16	8000521CH		01 Jan 2018	31 Jan 2018		
02 February		8,573.71	5,599.10	1,573.18	54.17	15,800.16						
03 March		0.00	0.00	0.00	0.00	0.00						
	1	15,823.13	11,081.54	2,918.88	114.77	29,938.32						
04 April		0.00	0.00	0.00	0.00	0.00						
05 May		0.00	0.00	0.00	0.00	0.00						
06 June		0.00	0.00	0.00	0.00	0.00						
	2	0.00	0.00	0.00	0.00	0.00						
07 July		0.00	0.00	0.00	0.00	0.00						
08 August		0.00	0.00	0.00	0.00	0.00						
09 September		0.00	0.00	0.00	0.00	0.00						
	3	0.00	0.00	0.00	0.00	0.00						
10 October		0.00	0.00	0.00	0.00	0.00						
11 November		0.00	0.00	0.00	0.00	0.00						
12 December		0.00	0.00	0.00	0.00	0.00						
	4	0.00	0.00	0.00	0.00	0.00						
Total		15,823.13	11,081.54	2,918.88	114.77	29,938.32						



Corrections

Revenue recognise that errors can occur in payroll, therefore it will be possible to make a technical correction to your submission either through your payroll software or through ROS. However, all payments as received by an employee must be submitted to Revenue. If an employee has been overpaid or underpaid, the correction to recoup this overpayment/underpayment should be made in the next payroll run and will be automatically recorded in that period's payroll run submission. Use the "Follow The Money" rule when monies are paid they are recorded.



On-Time

The 'Pay Date' (the Payroll Run Date in EuroPay and PayDay) is the date an employee receives their payment or taxable benefit - when it is earned will be irrelevant.

The 'Payroll Run Submission (PRS)' should be uploaded to ROS on or before the 'Pay Date'.

All payroll amendments must be entered as they happen. There should be no 'tidying up' at the end of the tax year. This could result in the Employer being flagged to Revenue for possible Audit.

A 'Payroll Run Submission (PRS)' uploaded after the 14th but containing a 'Pay Date' for the previous (or earlier) month, will be deemed a late return, and may be subject to interest and penalties. Revenue have said they will make allowances for exceptional problems such as major storm damage or severe internet disruptions but it is and will be just good practice to get your submissions in to Revenue on time.



Pay Date

Pay and deductions must be reported by you to Revenue on or before the date the employees are paid.

'Date paid' in the context of PAYE Modernisation is defined as the date on which the payment is made to the employee. These dates can be different depending on how the employee is paid

If you pay the employee by:

- > cash it is the date the cash is given to the employee.
- > cheque it will be the date on the cheque.
- > credit transfer it is the date which the funds are paid into the employee's bank account.

Where a Pay Date falls on a non-bank working day and employee payments are due, Revenue regards that day as Pay Date. This occurs provided the funds are made available to the employee on the previous bank working day.



Revenue expects Accurate Data (actual values), as each uploaded PRS forms part of your Statutory Declaration.

Amendments are possible but discouraged. They obviously must be made when necessary to ensure your employees Tax and PRSI details are correct but regular Amendments are likely to flag the Employer as needing a Compliance Audit.

Just don't take the risk, use professional payroll software to minimise problems.

Standard corrections should be made in the following payroll period(s).

An incorrect PPS Number should never be used for an employee. PAYE Modernisation will allow for situations where a new employee does not have a PPS Number. This should only be for a very limited period and great care must be taken.

Only This Period values are sent to ROS, i.e. no balances. If you miss uploading or double upload a Payroll Run, your returns will be inaccurate. Remember, mistakes are more likely with manual entries. Use professional payroll software like PayDay or EuroPay to minimise the risk of mistakes.

P2Cs will be renamed Revenue Payroll Notifications (RPN). The latest should always be used. Where possible, the payroll can automatically download them before each calculation.

Revenue may take Compliance Actions against companies who do not submit On Time and Accurate data. Errors and late changes need to be avoided.

Response						
Employer Name		Registration No.	Agent TAIN	Tax Year	Date Time Effective	
King Group		8000521CH		2018	13 Sep 2018 07:37:18	
RPNs (50)						
RPN Number	PPSN	Employment	RPN Issue Date	Employer Ref	First Name	Family Name
1	7013395TA	0	23 Jul 2018		Samanta	Ryan
1	7013396VA	0	23 Jul 2018		Trycia	Bradtke
1	7013397AA	0	23 Jul 2018		Jarret	Swift
1	7013399EA	0	23 Jul 2018		Dasia	Gislason
1	7013401LA	0	23 Jul 2018		Aurelia	Moore
1	7013402NA	0	23 Jul 2018		Fleta	Bernier
1	7013403PA	0	23 Jul 2018		Samantha	Botsford
1	7013404RA	0	23 Jul 2018		Bill	Rath
1	7013405TA	0	23 Jul 2018		Lempi	Skiles
1	7013407AA	0	23 Jul 2018		Will	Feest
1	7013409EA	0	23 Jul 2018		Kolby	Jast
1	7013411OA	0	23 Jul 2018		Grayce	Barton
1	7013413SA	0	23 Jul 2018		Demario	Bayer
1	7013414TA	0	23 Jul 2018		Vernon	Ernst



Starters and Leavers

*As already stated from the 1st January 2019
Forms P45 and P46 will no longer be required.*

RPNs will be available in real time for new employees. This should remove the need for emergency tax in most cases. However, Emergency Tax will continue to apply where an employee does not have a PPS No or is working in Ireland for the first time. This includes Irish citizens entering the work force for the first time.

Employees must register their first employment in Ireland, using the online service Jobs and Pensions <https://www.revenue.ie/en/jobs-and-pensions/> Employers will then be able to request an RPN for them.

You are obliged to notify Revenue of any new employees.

From early December 2018, you will be able to access RPN details for your employees. You should do this for all your employees so you can validate their allowances and credits are correct. If not correct, your employees will have some time to correct them before you calculate your first payroll of 2019. RPNs can be accessed through EuroPay, PayDay and ROS. By requesting an RPN for a new employee, Revenue will automatically create a new employment record and will provide you, the employer, with all the necessary details to calculate the employee's statutory payroll deductions.

The PRS includes a field for commencement date.

When an employee ceases their employment with you, the leave date is included on the PRS. This eliminates the requirement for a P45.



Our Products



EuroPay



PayDay



Surf Payroll



myESS



48 Hours



DEFT



PayCE



Modulus Checker

**Got questions?
Get in touch**

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