COLLSOFT PAYROLL 2019

November Data Quality Update

Introduction

PAYE Modernisation has definitely been a learning experience for Employers, Employees, Revenue and Payroll Software providers and as we approach Year End it is important to remember just how far we have all come in this journey together.

There are approximately 200,000 registered employers in Ireland, although some of them are not trading, or they may be seasonal employers, but so far almost 175,000 employers have interacted with Revenue via PAYE Modernisation.

In terms of employees, there are around 2.6 million employees in Ireland with a total of 2.8 million employments registered.

Revenue took a *"Big Bang"* approach to launching PAYE Modernisation and everybody went live on the 1st January 2019. In contrast, in the UK when Real Time reporting was introduced, HMRC rolled it out on a phased basis over 18 months.

This "*Big Bang"* approach certainly put everybody under a lot of pressure at the beginning of the year as we all got used to the new system.

By Year End employers will have made 6 million individual submissions to Revenue reporting around 80 million payslip line items – almost 20% of these submissions have been made using CollSoft Payroll.

As we move towards Year End our attention now turns to the accuracy of the data that has been submitted to Revenue.

Installing the Update

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Important Note for users running a multiuser version of Payroll 2019

If you are running a multiuser version of Payroll 2019 then you must install this update on all PCs running Payroll.

Users running an older version of Payroll 2019 will not be able to access the system after this update has been installed.

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You can download CollSoft Payroll 2019 from our website https://www.collsoft.ie by clicking into the "*Downloads*" section and selecting the 2019 download.

Depending on your internet browser you may be asked where you would like to save the Payroll 2019 installer, or it may just be downloaded directly to your "*Downloads*" folder.

Once the installer has been downloaded simply browse to the location where it is saved and double click on it to start the installation process.

Important Note: Depending on your PCs setup, you may need to contact your network administrator to install Payroll 2019.

The process of installing the 2019 software is straightforward, simply follow the instructions on the Installation Wizard.

At the end of the installation process it is advisable to restart your PC in order to ensure that all components are installed correctly.

This update includes a significant database schema upgrade which will start the first time that you open Payroll 2019, and depending on the size of your datafile it may take some time to run.

Payroll will make a backup copy of your data before performing any upgrades

Important Note: If you are running in a multiuser environment it is important that you only open one copy of Payroll 2019 initially and allow it to complete the database upgrade before allowing other users to open Payroll.

When the database upgrade is completed you will be presented with the "Open Company" screen and you can continue to run Payroll as usual.
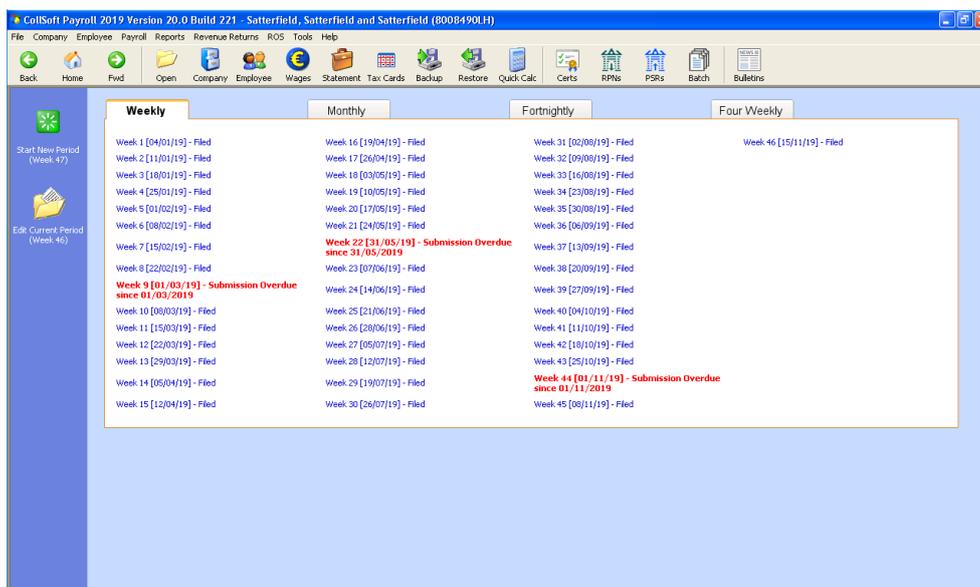
Outstanding Submissions

Identifying Outstanding Submissions

One of the most notable changes in this update is the way in which outstanding payroll submissions are identified to the user.

The *"Open Company"* screen now contains a PAYE Modernisation filing status for each company in the system;
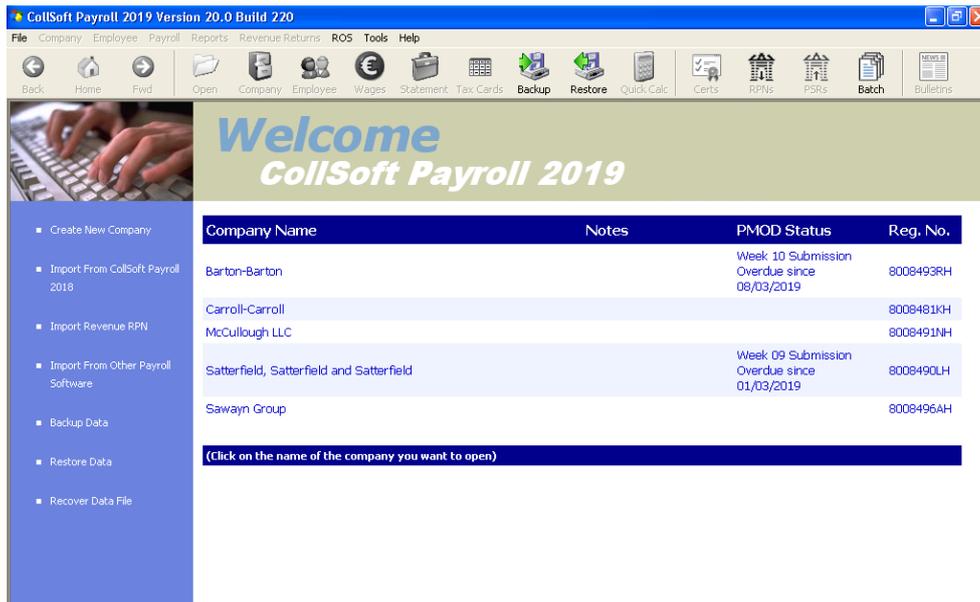
And if you open the *"Wages Screen"* for a company with outstanding submissions, you will see that the relevant payroll periods are clearly identified.

When you open a particular Payroll Period and individual payroll entries with outstanding submissions are highlighted in red;


If you have a large number of employees you can simply click into the *"Overdue"* tab at the top of the screen to see a list just of those employees with outstanding submissions.

By clicking into a particular wage entry you can view the outstanding submission in more detail, and if it has been previously filed, you can view the differences between what was filed and what is now outstanding by clicking into the *"PSR"* tab;
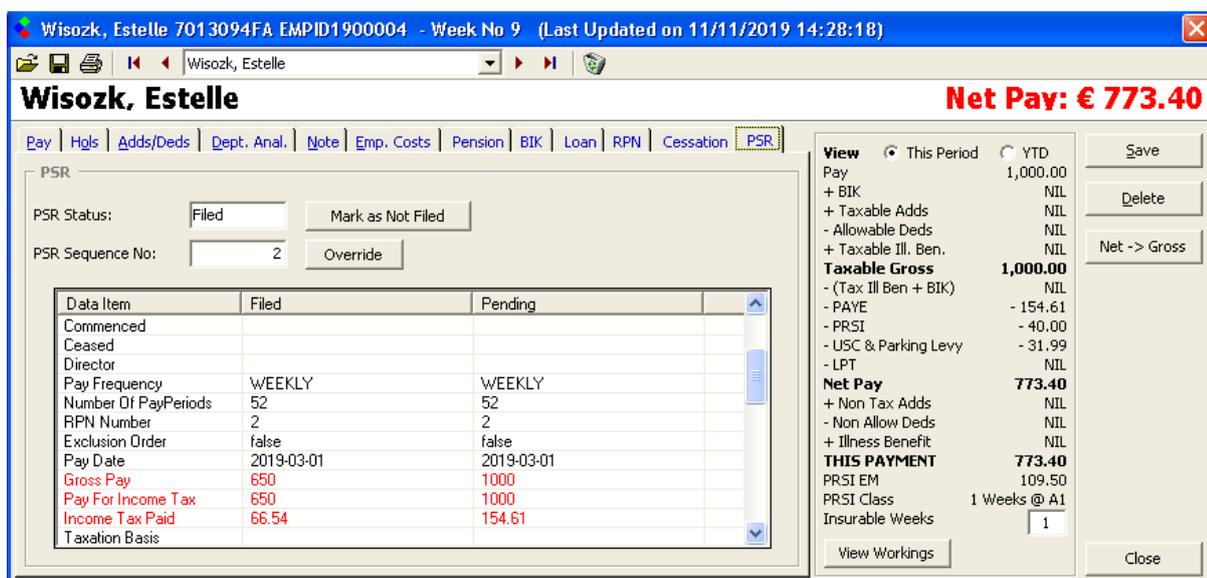
We have also added a *"Submissions Pending"* report which will detail all pending submissions for this employer.

This can be accessed via *Reports > Payroll Submissions > Submissions Pending* menu item.
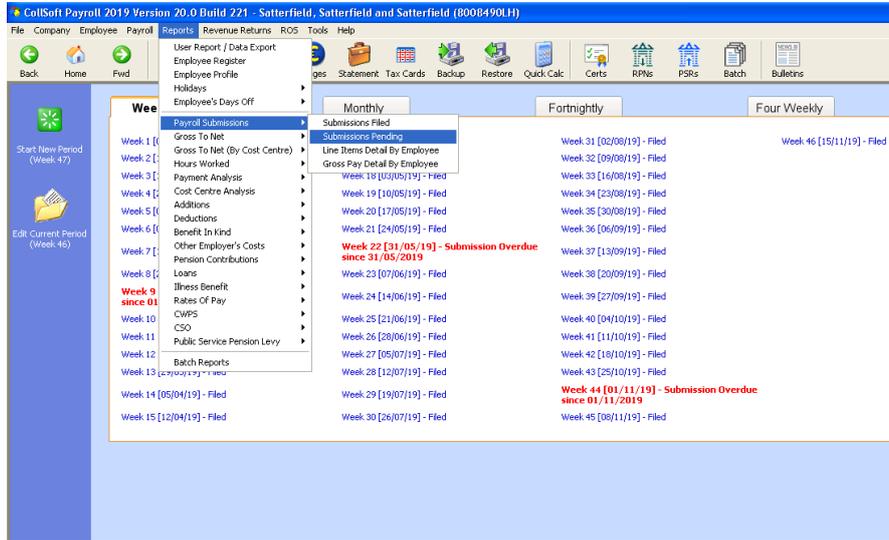
This report takes each pending submission (overdue or not) and identifies the pending submission versus the filed submission (if applicable)

How to file outstanding submissions

The process of filing outstanding submissions is very straightforward, you just file them in the same way that you file regular submissions.

Simply open the Payroll Period in question and press the "PSRs" button to begin the Payroll Submission Wizard.

This process will identify the individual payrolls that need to be filed and ignores those which do not need to be filed at this time.

Payroll has identified a whole pay period as outstanding even though I can see it in ROS

There have been a small number of occasions during the year where Revenue's website has gone offline, and sometimes users have made submissions to Revenue that were accepted but were not acknowledged back to your Payroll Software.

When this occurs Payroll 2019 assumes that the submission has not been made and therefore it flags that payroll period as outstanding, even though Revenue may have accepted the data and applied it to your account.

In this case you simply need to resend the submission from Payroll by opening up the payroll period and running the submission wizard again.

Payroll will then check if the submission already exists in your Revenue account, and if it does it will reconcile your records in Payroll against those in your Revenue account.

Data Quality Reports

Revenue Data Quality Tests

To date almost 70 million payslip line items have been submitted by employers to Revenue under PAYE Modernisation. Each payslip contains up to 53 different pieces of payroll information and Revenue have been busy analysing the data checking for any inconsistencies.

Revenue have developed a set of *"Data Quality Tests"* that they apply to the data submitted, and this has helped them to identify certain issues that may indicate that an employer is running their payroll incorrectly.

In some cases Revenue have visited employers to help them identify and correct potential issues.

This Payroll update now includes the same reporting tools to help users identify potential issues and rectify them before Revenue become involved.

Revenue's *"Data Quality Tests"* include the following checks;

- Submission Date later than Payment date (including corrections)
- Gross Pay less than Pay For Income Tax
- Gross Pay less than Pay for USC
- Pay for USC less than Pay for Income Tax
- Pay for USC not equal to Pay for Employees PRSI
- USC Exempt but USC Paid
- Negative Gross Pay
- No PPSN but USC Paid less than 8%
- No PPSN but Income Tax Paid less than 40%
- Emergency Tax with no Income Tax paid
- Emergency Tax paid where RPN was available

The most common problem is that of payroll submissions made after the payment date (both original and corrective submissions). There is no way to fix this obviously, but where an employer is consistently making late submissions it is likely that Revenue will be in contact to discuss the matter. Remember, all submissions are required to be made on or before the payment date.

The next most common causes of problems is where the Employer has created a pay element and marked it as exempt from PAYE, PRSI but not for USC. Examples of this would be tax free subsistence payments, fuel allowance payments (in a CE scheme) or a salary sacrifice such as a "Bike To Work" scheme or a "Tax Saver Travel Ticket".

We strongly suggest that all users should run the Data Quality Reports to ensure that they do not have any issues.

If you find any issues then you should contact the CollSoft Helpdesk by email at helpdesk@collsoft.ie to discuss how the issues can be resolved.

These issues are not particular to CollSoft and indeed are prevalent across all Employers regardless of what software they are using.

Revenue have provided us with figures to the end of August of the number of payslip line items that have potential issues from a data quality perspective.

As you can see, even though CollSoft accounts for almost 20% of all submissions made to Revenue, the number of issues identified for CollSoft submissions have been very small.

Issue	Total Payslips with Issue	CollSoft Payslips with issue	% of Total
Pay for USC not equal to Pay for PRSI	1,993,191	34,168	1.7%
Gross Pay less than Pay for USC	1,036,918	19,998	1.9%
Pay for USC less than Pay for Income tax	599,673	2,383	0.4%
Gross Pay less than Pay for Income Tax	538,607	93	0.02%
Negative Gross Pay	34,202	47	0.1%
Emergency Tax with no Income Tax paid	22,123	1,080	5%
Emergency Tax with RPN	28,678	0	0%
USC Exempt but USC Paid	19,230	0	0%

Data Quality Tests Summary Report

This report is intended for use by accountants, tax agents, payroll bureaus or any other user with a large number of employers in their Payroll system, and it provides a summarised data quality report for each employer.

To run the summary report browse to the *"Open Company"* screen in Payroll 2019 and from the *"ROS"* menu select the *"Data Quality Tests Summary"* report.

This will apply the Data Quality Tests to each Company in your Payroll File and report a summary of any issues for each company.

As you can see from the sample report, all Employers are reporting submissions made after the payment date, but there is nothing that you can do to fix that.

However, one of the Employers is reporting other issues, so the next step is to examine this Employer in more detail.

Data Quality Tests Detailed Report

To do this, open that Employer and from the *"ROS"* menu select *"Data Quality Tests"* and then one of the detailed reports such as *"Data Quality Tests Detailed (Excluding Late Filings)"*

PAYE Modernisation
Revenue Data Quality Analysis

8008499GH - Brown-Brown

Rule 7 - Gross Pay Less than Pay for USC
48 Line Items

Payment Date	Submission Date	Payroll Run Reference	Employee	PPSN	Taxaxtion Basis	Gross Pay	Pay For PAYE	PAYE	USC Status	Pay For USC	USC	Pay For PRSI EE	PRSI EE	Pay For PRSI ER	PRSI ER	PRSI Class	Ins. Weeks
09/08/2019	12/11/2019	Week_32	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.77	600.00	24.00	600.00	65.70	A1	1
16/08/2019	12/11/2019	Week_33	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.76	600.00	24.00	600.00	65.70	A1	1
23/08/2019	12/11/2019	Week_34	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.75	600.00	24.00	600.00	65.70	A1	1
30/08/2019	12/11/2019	Week_35	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.76	600.00	24.00	600.00	65.70	A1	1
06/09/2019	12/11/2019	Week_36	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.53	ORDINARY	688.53	37.77	600.00	24.00	600.00	65.70	A1	1
20/09/2019	12/11/2019	Week_38	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.75	600.00	24.00	600.00	65.70	A1	1
13/09/2019	12/11/2019	Week_37	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.76	600.00	24.00	600.00	65.70	A1	1
27/09/2019	12/11/2019	Week_39	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.75	600.00	24.00	600.00	65.70	A1	1
04/10/2019	12/11/2019	Week_40	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.77	600.00	24.00	600.00	65.70	A1	1
25/10/2019	12/11/2019	Week_43	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.53	ORDINARY	688.53	37.75	600.00	24.00	600.00	65.70	A1	1
11/10/2019	12/11/2019	Week_41	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.76	600.00	24.00	600.00	65.70	A1	1
18/10/2019	12/11/2019	Week_42	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.75	600.00	24.00	600.00	65.70	A1	1
08/11/2019	12/11/2019	Week_45	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.76	600.00	24.00	600.00	65.70	A1	1
12/04/2019	12/11/2019	Week_15	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.76	600.00	24.00	600.00	65.70	A1	1
19/04/2019	12/11/2019	Week_16	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.76	600.00	24.00	600.00	65.70	A1	1
03/05/2019	12/11/2019	Week_18	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.75	600.00	24.00	600.00	65.70	A1	1

Notes:

This issues usually arises from a misconfiguration of your Payroll Software where you have created a Pay Element which is exempt from PAYE and PRSI but not USC. For example it may be a subsistence allowance that you have created.

Rule 20 - Pay for USC not equal to Pay for Employee PRSI
48 Line Items

Payment Date	Submission Date	Payroll Run Reference	Employee	PPSN	Taxaxtion Basis	Gross Pay	Pay For PAYE	PAYE	USC Status	Pay For USC	USC	Pay For PRSI EE	PRSI EE	Pay For PRSI ER	PRSI ER	PRSI Class	Ins. Weeks
04/01/2019	12/11/2019	Week_01	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.76	600.00	24.00	600.00	65.70	A1	1
11/01/2019	12/11/2019	Week_02	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.75	600.00	24.00	600.00	65.70	A1	1
01/11/2019	12/11/2019	Week_44	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.77	600.00	24.00	600.00	65.70	A1	1
15/11/2019	12/11/2019	Week_46	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.75	600.00	24.00	600.00	65.70	A1	1
22/11/2019	12/11/2019	Week_47	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.75	600.00	24.00	600.00	65.70	A1	1
29/11/2019	12/11/2019	Week_48	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.77	600.00	24.00	600.00	65.70	A1	1
18/01/2019	12/11/2019	Week_03	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.54	ORDINARY	688.53	37.76	600.00	24.00	600.00	65.70	A1	1
25/01/2019	12/11/2019	Week_04	Bosco, Devonte	7001432G	CUMULATIVE	600.00	600.00	56.53	ORDINARY	688.53	37.76	600.00	24.00	600.00	65.70	A1	1

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This report shows Data Quality Test and the individual payroll line items that failed it.

Community Employment Schemes

Payments such as DEASP payments, payments paid under the Community Employment Schemes, Back to Education Allowance, etc. are exempt from USC.

USC should not be deducted from these exempt payments. **That is not the same as saying that the employee is exempt from USC.**

Where these payments are administered through payroll, employers (payers of these payments) should request the latest Revenue Payroll Notification (RPN) showing USC rates and thresholds or USC exemption from Revenue. These USC rates and thresholds apply only to payments that are chargeable to USC.

The employer should only record the USC status of an employee as "Exempt" where Revenue has informed the employer via the RPN that the individual is exempt. The Employer should not be overriding the RPN from Revenue to mark the Employee as exempt from USC even if they are in receipt of payments under a Community Employment Scheme.

Doing so will result in incorrect Payroll Submissions being made to Revenue, and it is likely that Revenue will apply USC to these employees at the end of the year.

After you install this update Payroll will scan your submissions and verify that they have been recorded correctly. If there are any payslip line items that have been processed wrong then Payroll will flag these as requiring to be resubmitted to Revenue.

The correct way to process a Community Employment payment in CollSoft is to set up a pay element in your systems that is subject to PAYE, PRSI but not USC.

If you have any queries with respect to CE Schemes, or you require any assistance in correcting your Payroll please contact our helpdesk by email at helpdesk@collsoft.ie