

Payroll Year End 2021

9th December 2021

Topics

- PAYE Modernisation Update
- Budget 2022
- Revenue Data Quality Tests
- Year End & Week 53 Payroll
- Getting Started with 2022 Payroll

PAYE Modernisation Update

- Number of Payroll Submissions
 - **18,241,400** since January 2019
 - **5,709,900** in 2021
- Submission Method
 - **90%** Direct Payroll Software
 - **9%** ROS Manual Input
 - **1%** File Upload (Offline return)

PAYE Modernisation Update

- **241,595,300** payslips submitted in total
 - **99%** via Payroll Software
 - **1%** via ROS input
- **3,947,600** payslip corrections
 - **86%** via Payroll Software
 - **14%** via ROS input
- **<2%** of payslips are corrections

PAYE Modernisation Update

- **215,600** Submitting Employers since 2019
- **182,400** Submitting Employers in 2021

PAYE Modernisation Update

- Revenue have issued **936,100** Employee Statement of Liabilities for 2020

Budget 2022

Tax Credits	2021	2022
Personal Tax Credit (Single)	€ 1,650	€ 1,700
Personal Tax Credit (Married)	€ 3,300	€ 3,400
Employee Tax Credit	€ 1,650	€ 1,700
Earned Income Credit	€ 1,650	€ 1,700
Widowed/Surviving spouse (No Children)	€ 2,190	€ 2,240

Budget 2022

Standard Rate Cut-Off Points	2021	2022
Single/Widowed/Surviving spouse (no children)	€ 35,300	€ 36,800
Single/Widowed/Surviving spouse (with children)	€ 39,300	€ 40,800
Married/civil partnership (one income)	€ 44,300	€ 45,800
Married/civil partnership (both with income)	€ 44,300 + max €26,300	€ 45,800 + max € 27,800

Budget 2022

USC	2021	2022
Band 2 (2% rate)	€ 12,012 - € 20,687	€ 12,012 - € 21,295

Remote working relief 2022

30% of vouched costs of heating/light (10% previously) and 30% of vouched cost of broadband for days worked from home.

Sea-going Naval Personnel Credit

Sea-going Naval Personnel Credit of € 1,500 extended to December 2022

Budget 2022

PRSI

The threshold for paying the Class A rate of employer PRSI will increase from €398 to €410 from 1 January 2022.

Gross weekly earnings up to and including €410 will attract the lower Class A employer rate of 8.8%

Where gross weekly earnings exceed €410 the higher Class A employer rate of 11.05% will apply.

A reduced rate of employer's PRSI of 0.5% is charged on wages paid which are eligible for the Employment Wage Subsidy Scheme. The reduced rate will no longer apply after **28 February 2022**.

Budget 2022

Employment Wage Subsidy Scheme

Weekly Pay	20 th Oct – 30 th Nov	1 st Dec – 28 th Feb	1 st Mar – 30 Apr
Less than € 151.50	Nil	Nil	Nil
€ 151.50 - € 202.99	€ 203	€ 151.50	€ 100
€ 203 - €299.99	€ 250	€203	€ 100
€ 300 - € 399.99	€ 300	€ 203	€ 100
€ 400 - € 1,462	€ 350	€ 203	€ 100
Over € 1,462	Nil	Nil	Nil
Employer's PRSI	0.5%	0.5%	Normal Employer's PRSI Rate

Budget 2022

- 2022 Employee RPNs are available on ROS since 28th November.
- The 2022 RPNs were generated for all employments that were live on 28th November.
- Employments which are ceased between 28th November and 31st December will still appear as live on 2022 RPNs, although they will likely have zero credits.

Revenue Data Quality Tests

- Revenue apply 23 individual tests to employer submission.
- Test are applied to every payslip submitted.
- Failures can lead to Revenue contacts.
- Likely to see increased Revenue activity in Q1 2022

Rule No	Description	Payslips (2021)
1	Emergency Tax Basis but no IT paid	6,488
2	Emergency Tax Basis with RPN reported	8,857
3	Invalid Payment Date (Outside tax year)	
4	Payment Date future dated more than 60 days	
5	Gross Pay less than Pay for Income Tax (IT Pay = BIK)	
6	Gross Pay < Pay For Income tax	36,125
7	Gross Pay < Pay for USC	107,240
8	Gross Pay over €3000 and no Income Tax paid	
9	Gross Pay over €1000 and Income Tax refunded	
10	Gross Pay over €1000 and USC refunded	
11		
12		
13		
14	USC Exempt but USC Paid	1,353
15		
16	Pay for USC < Pay for Income Tax	117,046
17		
18		
19	Negative Gross Pay	14,198
20	Pay for USC ≠ Pay for PRSI	238,093
21		
22	No PPSN but USC Paid < 8%	1,508
23	No PPSN but Income Tax Paid < 40%	1,434

2021 Year End

- No P35s or P60's required.
- Employee's can instead request a "Statement Of Liability" via MyAccount.

2021 Year End

- 2021 RPNs will not be available on ROS after 31st December.
- Employers should download a copy of 2021 RPNs before they become unavailable.
- All employments should be registered with Revenue before 31st December in order to ensure that a 2021 RPN is obtained.
- 2021 payments reported after 31st December without an RPN will have to be re-grossed using zero credits and bands – this must be avoided at all costs!

Week 53

- Week 53 occurs when a pay day falls on Friday 31st December for a weekly, fortnightly or four-weekly payroll run.
- Additional Tax Credits and Bands (PAYE and USC) apply on a Week-1 basis.
- If an employer has changed a pay day for whatever reason during the year (or previous year) resulting in a Week 53 then the additional credits/bands cannot be applied.

Week 53

- Week 53 payrolls must be paid on 31st December.
- Week 53 cannot be paid in advance as part of a Christmas holiday payroll run.
- Revenue **DO NOT** allocate Week 53 credits based on insurable weeks.
- Revenue will only allocate a Week 53 credit based on the submission of a weekly, fortnightly or four-weekly payslip dated 31st December.
- Incorrect allocation of a Week 53 by the employer will result in an underpayment of PAYE and USC on an Employee's Statement Of Liability (SOL)

Week 53 Examples

Single person credits, Gross Pay € 500

Annual Figures	Week 52 + 1 Extra Week	Separate Week 52 and 53
Gross Pay	€ 26,500	€ 26,500
PAYE	€ 2,000	€ 1,936
USC	€ 495	€ 481
Total Liability	€ 2,495	€2,417
	Difference	€ 78

Week 53 Examples

Single person credits, Gross Pay € 750

Annual Figures	Week 52 + 1 Extra Week	Separate Week 52 and 53
Gross Pay	€ 39,750	€ 39,750
PAYE	€ 5,540	€ 5,340
USC	€ 1091	€ 1,077
Total Liability	€ 6,631	€ 6,417
	Difference	€ 214

Week 53 Examples

Married, single income, Gross Pay € 1,000

Annual Figures	Week 52 + 1 Extra Week	Separate Week 52 and 53
Gross Pay	€ 53,000	€ 53,000
PAYE	€ 7,390	€ 7,124
USC	€ 1,687	€ 1,674
Total Liability	€ 9,077	€ 8,798
	Difference	€ 279

Christmas Bank Opening Hours

Thursday 23 rd December	Normal Opening Hours
Friday 24 th December	Half day
Saturday 25 th / Sunday 26 th December	Closed
Monday 27 th December	Closed
Tuesday 28 th December	Closed
Wednesday 29 th December	Closed
Thursday 30 th December	Normal Opening Hours
Friday 31 st December	Normal Opening Hours
Saturday 1 st / Sunday 2 nd January	Closed
Monday 3 rd January	Closed
Tuesday 4 th January	Normal Opening Hours

Payroll payments over Christmas

- Wages due to be paid on Monday 27th, Tuesday 28th or Wednesday 29th can be paid to the employee on Friday 24th, but are still reported to revenue using the original payment date (27th, 28th or 29th)
- Wages due to be paid on Monday 3rd January can be paid on Friday 30th January but are still reported to Revenue as a **2022 payslip dated 3rd January.**

Things to watch out for in 2022

- Employers will receive a 2022 RPN for any employees ceased between 28th November – 31st December 2022. These should be ignored.
- TWSS tax liabilities that were coded forward will begin in 2022 – likely to cause questions from employees and employers.
- Disruption to RPNs will continue as employees transition from PUP back to work in the medium term.

Starting Payroll 2022

- Payroll 2022 now available to download from www.collsoft.ie
- Update Payroll 2021 to latest version – Check for Updates.
- You do not have to be finished your 2021 payroll before you start processing in 2022.
- You must download updated RPNs for 2022 – tax credits are not transferred from 2021