

# Payroll Year End 2021

2021

# Topics

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

# EWSS Update

Revised rates of EWSS announced by Ministers Donohoe and McGrath on 9<sup>th</sup> December

Weekly Pay	1 <sup>st</sup> Dec – 31 <sup>st</sup> Jan (Enhanced rates)	1 <sup>st</sup> Feb – 28 <sup>th</sup> Feb (Reduced rates)	1 <sup>st</sup> Mar – 30 Apr (Flat rate)
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%	<b>Reverts to Normal Employer PRSI Rates</b>

The new revised rates of EWSS apply retrospectively to 1<sup>st</sup> December. Revenue will perform a sweepback process next week for any subsidies already paid at the lower rates early in December.

# EWSS Update

- Do employers have to take any action in relation to their December EWSS claims? In short **NO!**
- Revenue will perform a sweepback and recalculate all EWSS payments for December.
- Revenue will automatically pay any shortfall owed to employers - (timeline to be confirmed).
- Employers do not need to amend or resubmit any payroll to Revenue.
- Employers should continue running their payroll and submitting to Revenue as normal, using their current payroll software.

# 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 - € <b>21,295</b>

## 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

- 2022 Employee RPNs are available on ROS since 28<sup>th</sup> November.
- The 2022 RPNs were generated for all employments that were live on 28<sup>th</sup> November.
- Employments which are ceased between 28<sup>th</sup> November and 31<sup>st</sup> 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 31<sup>st</sup> December.
- Employers should download a copy of 2021 RPNs before they become unavailable.
- All employments should be registered with Revenue before 31<sup>st</sup> December in order to ensure that a 2021 RPN is obtained.
- 2021 payments reported after 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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
	<b>Difference</b>	<b>€ 78</b>

# 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
	<b>Difference</b>	<b>€ 214</b>

# 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
	<b>Difference</b>	<b>€ 279</b>

# Christmas Bank Opening Hours

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

# Payroll payments over Christmas

- Wages due to be paid on Monday 27<sup>th</sup>, Tuesday 28<sup>th</sup> or Wednesday 29<sup>th</sup> can be paid to the employee on Friday 24<sup>th</sup>, but are still reported to Revenue using the original payment date (27<sup>th</sup>, 28<sup>th</sup> or 29<sup>th</sup>)
- Wages due to be paid on Monday 3<sup>rd</sup> January can be paid on Friday 31<sup>st</sup> December but are still reported to Revenue as a 2022 payslip dated 3<sup>rd</sup> January.

# Things to watch out for in 2022

- Employers will receive a 2022 RPN for any employees ceased between 28<sup>th</sup> November – 31<sup>st</sup> 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](http://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