

CollSoft Payroll 2024

Small Benefit Exemptions

Gift Cards and other small benefits or gifts given to employees

2024 Year End

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Introduction

For many years Revenue have operated a scheme know as the “**Small Benefit Exemption**” whereby an employer could give an employee a small gift tax free each year.

Such gifts had to be in the form of some kind of voucher or benefit or some other form that could not be redeemed for cash.

They are essentially like a Benefit In Kind that is exempt from PAYE, USC and PRSI.

Since 2022, the employer was allowed to give up to two small benefits or gifts up to a maximum combined value of €1000 per Year.

In 2024 Revenue introduced the new “**Enhanced Reporting Requirements**” (know as ERR) system which requires employers to report.

For more information on the Small Benefit Exemption please refer to the Revenue website at

<https://www.revenue.ie/en/employing-people/benefit-in-kind-for-employers/valuation-of-benefits/small-benefit-exemption.aspx>

How to report a Small Benefit or Gift Voucher through Payroll

As previously mentioned, a Gift Voucher or any other sort of item which qualifies as a Small Benefit Exemption, is essentially a special type of Benefit In Kind that is exempt of tax.

As such, you can enter a Gift Voucher as a small benefit via the “**BIK**” tab on the Wage Entry screen as shown below;

The screenshot shows the 'Bins, Ray' payroll software interface. The 'Benefit In Kind Received' section is active, with the 'BIK' tab highlighted. A yellow box highlights the 'Small Benefits Exemption' section, where the 'Small Benefit Value' is set to 500.00 (Balance Remaining € 1,000.00) and the note is 'Gave a €500 One4All Voucher as Christmas Bonus'. The right-hand summary panel shows a 'Net Pay' of € 569.03.

Benefit In Kind Received		Benefit In Kind Implications	
Vehicle	259.62	Mileage	
BIK 2	0.00	PAYE arising from BIK	103.85
BIK 3	0.00	PRSI (EE) arising from	10.64
BIK 4	0.00	PRSI (ER) arising from	28.95
BIK 5	0.00	PRSI Class Before BIK	A1
BIK 6	0.00		

Small Benefits Exemption	
Small Benefit Value	500.00 (Balance Remaining € 1,000.00)
Notes	Gave a €500 One4All Voucher as Christmas Bonus

Previous Small Benefits Exemptions Given	
Occurrences	0
Small Benefit Value	0.00

Summary	
Pay	910.00
+ BIK	+ 259.62
+ Taxable Adds	NIL
- Allowable Deds	- 20.27
+ Taxable Ill. Ben.	0.00
Taxable Gross	1,149.35
- (Tax Ill Ben + BIK)	- 259.62
- PAYE	- 237.62
- PRSI	- 47.95
- USC	- 34.50
- LPT	NIL
Net Pay	569.66
+ Non Tax Adds	NIL
- Non Allow Deds	- 0.63
THIS PAYMENT	569.03
PRSI EM	130.41
PRSI Class	1 Weeks @ A1
Insurable Weeks	1

Then simply save the Wage Entry and continue to process the rest of your payslips.

Then when you go to make your submission to Revenue Payroll will include all of the Gift Vouchers and make a corresponding Enhanced Reporting submission.

The screenshot shows the 'File Revenue Submission' dialog box. It displays the following information:

Revenue Submissions	
Payroll Submission	Expenses & Benefits
No. of Payslips: 1	No. of Line Items: 1
Total Liability: 450.48	Total Amount: 500.00
View Submission Data	View Submission Data

Press Submit to complete the process.

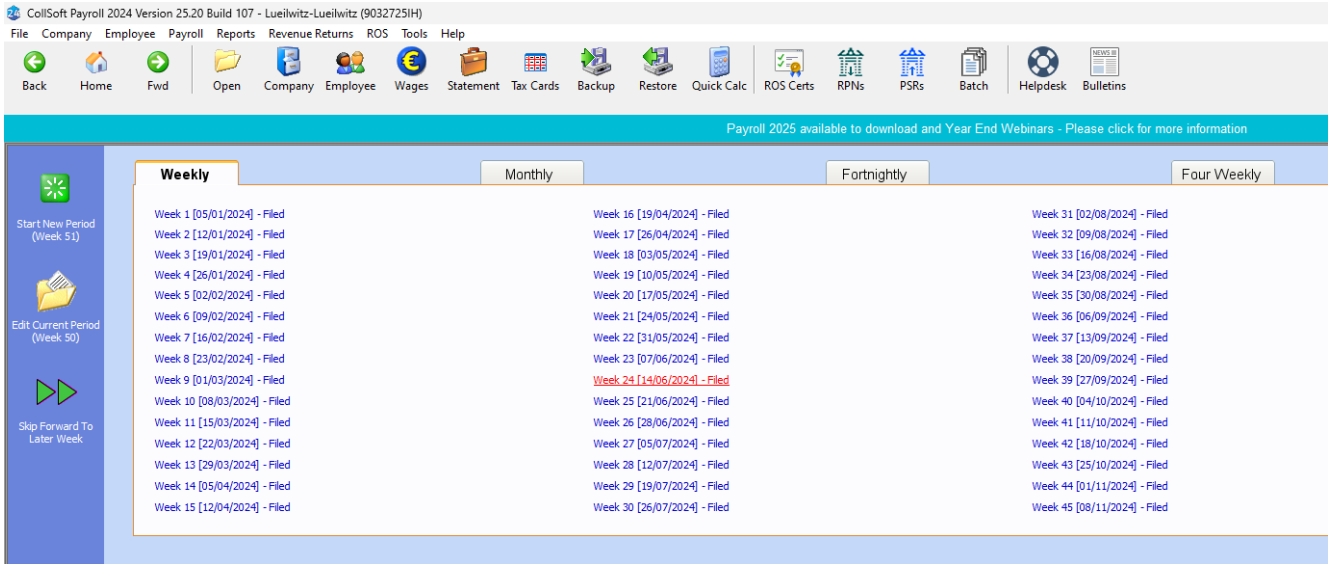
< Back Submit Cancel

How to Report a Benefit that was given earlier in the year but not reported at the time

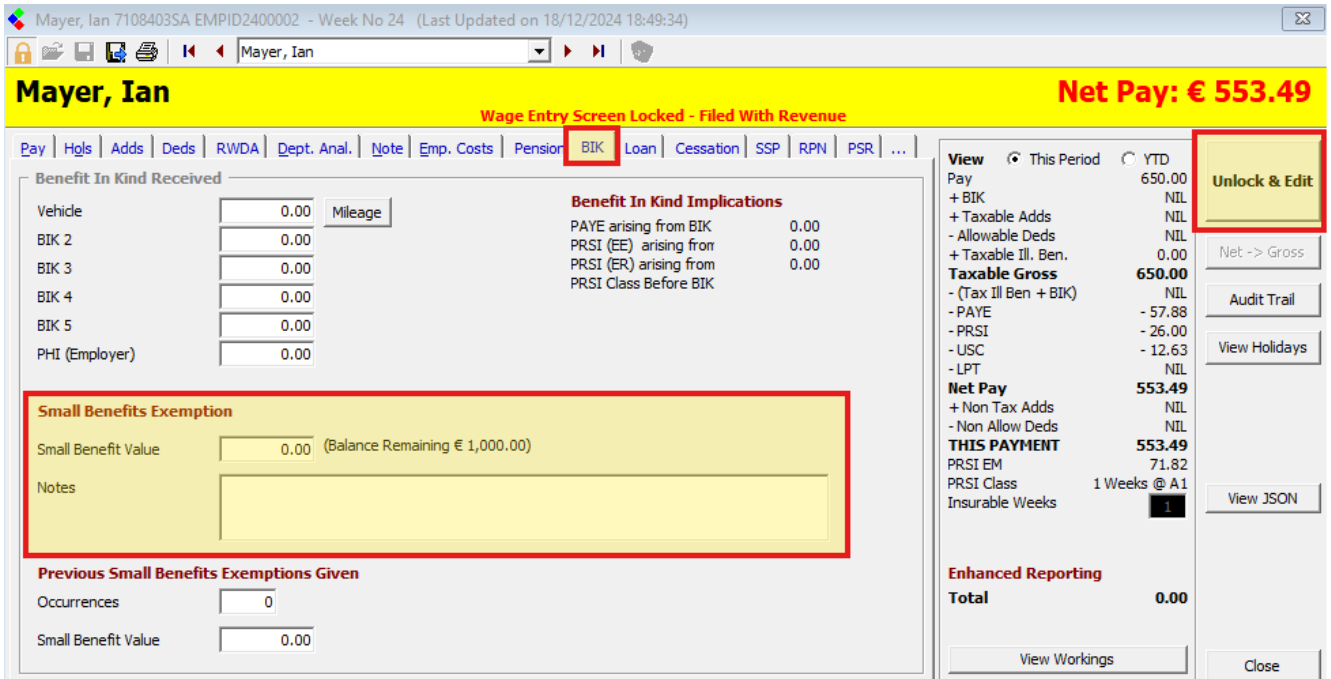
There may have been instances where an employer gave a Small Benefit to an employee earlier in 2024 but failed to report it to Revenue at the time.

In these cases we recommend that you go back into the Payroll Period where the benefit/gift was given to the employee and amend the payslip to include the details of the unreported benefit.

Lets take an example of a situation where an employer gave a gift voucher to an employee in Week 24, on the wages screen click into the Week 24 entry and select the option to make changes



Then click into the wage entry of the employee in question, open the "BIK", press the "Unlock & Edit" button to enable editing of the payslip and then enter the details of the voucher/gift that needs to be reported.



Make sure that the Net Pay has not changed (vouchers/gifts do not change Net Pay) and Save the Payslip

Then close the Payslip to go back to the Weekly Wage Screen and press the Submit button to start the Submission Wizard.

This time Payroll should show that there is no Payroll to be reported, but that there is one (or more) Expense or Benefit items.

The screenshot shows a window titled "File Revenue Submission" with a close button (X) in the top right corner. Below the title bar, the text "Revenue Submission" is displayed. The main content area contains the following elements:

- A heading: "You are now ready to file the following submission(s) with Revenue."
- A section titled "Revenue Submissions" containing two sub-sections:
 - Payroll:** A box with the text "No Payroll to Report".
 - Expenses & Benefits:** A box containing:
 - "No. of Line Items:" with a text input field containing "1".
 - "Total Amount:" with a text input field containing "800.00".
 - A button labeled "View Submission Data".
- Text below the sub-sections: "Press Submit to complete the process."
- At the bottom of the window, three buttons: "< Back", "Submit", and "Cancel".

Press the **Submit** button to send the details to Revenue.

If you have other items in different payroll periods that were not reported to Revenue simply repeat the process and report the other outstanding items.

What if you reported Benefits directly on ROS but not in Payroll

Some users may have gone ahead and already reported gifts/benefits using the ROS screens and not entered them in Payroll.

In these cases you **do not** need to enter them in the Payroll Software – if you did enter them on Payroll and then submitted them through CollSoft then you would end up with a double entry on Revenue