

# Year End 2020

December 2020 Webinars

# TWSS Reconciliation Update

- In total Revenue paid TWSS in respect of 6.4 million J9 Payslips.
- To date employers have reported the amount of TWSS paid to employees for 90% of those payslips.
- 99.5% of TWSS payments processed using CollSoft have been reported to Revenue.
- However there are around 5000 employers who have not reported anything to Revenue for TWSS.

# TWSS Reconciliation Update

- Revenue will be pushing employers to report all J9 payslips before 15<sup>th</sup> January 2021.
- This information is crucial to enable Revenue to calculate the amount of PAYE/USC that each employee has accrued from their TWSS payments.

# TWSS Reconciliation Update

- Revenue are planning to issue all TWSS employers with a CSV file in December detailing all the payments made to the employer and what the final balance is.
- While the CSV will be issued in December, the reconciliation does not need to be completed until the end of Q1 2021

# TWSS Reconciliation Update

- Revenue have announced that employers will be able to make payments towards their employees tax liabilities (arising from TWSS) without any BIK implications.
- This process is completely optional – employers are not required to make any such payments. Ultimately the tax liabilities fall on the employee.
- If the employer makes any payments towards the employee's tax liabilities, then these payments are not tax deductible for the employer.
- See [Employers paying employees' 2020 tax liability \(revenue.ie\)](#) for further details

# BIK that was suspended during TWSS

- Revenue concessionally allowed deferral of BIK liability for the operation of the TWSS from 26 March 2020 to 31 August, 2020.
- The FAQ provided an option to employers to spread the suspended BIK rateably over the remaining payrolls for 2020. Where this was not achievable, the suspended BIK needs to be reported by employers before the year end.

# BIK that was suspended during TWSS

- To facilitate this reporting of suspended BIK by employers, you are hereby required to prepare and deliver a Form P11D. This is a return by employer of benefits, non-cash emoluments and payments not subjected to PAYE / Universal Social Charge (USC) provided to directors and employees.
- <https://www.revenue.ie/en/employing-people/documents/form-p11d.pdf>

# EWSS Update

- The eligibility criteria for EWSS will change on 1<sup>st</sup> January 2021.
- Employers will need to demonstrate that they will suffer a 30% drop in turnover for the period 1<sup>st</sup> Jan 2021 – 30<sup>th</sup> June 2021 compared to the same period in 2019 (Jan – June 2019)



# Week 53 Payrolls

- Any employer who normally pays weekly wages on a Wednesday or Thursday will have a Week 53 in 2020.
- Employers who normally pay on a Monday, Tuesday or Friday **DO NOT** have a week 53 in 2020.
- For fortnightly or Four Weekly wages the employer will have a “Week 53” if they are scheduled to pay wages on Wednesday 30<sup>th</sup> or Thursday 31<sup>st</sup> December 2020
- Monthly employers do not have a Week 53.

# Week 53 Payrolls

- Week 53 is only available to employers who have not changed their normal pay day in 2020 and 2019.
- Week 53 cannot be paid in advance as part of your holiday payment runs over the Christmas period.
- You must run your Week 53 separately from your main Christmas Payroll.
- You can run your Week 53 in advance, and you can report it to Revenue in advance – But you cannot actually pay it to your employees until either the 30<sup>th</sup> or 31<sup>st</sup> December.
- You can however schedule your bank payment in advance, but they must be dated 30<sup>th</sup> or 31<sup>st</sup> December.

# What if I pay Week 53 in Advance

- If you pay your Week 53 as part of your Week 51/52 payment then your employees will end up with a PAYE/USC Liability at Year End.
- Revenue will calculate each employee's final "Statement Of Liability" for 2020 some time after 15<sup>th</sup> January 2021.
- If Revenue do not see a payment having been made on 30<sup>th</sup> or 31<sup>st</sup> December then they will calculate using 52 weeks of credits.
- Revenue will only allocate an extra 53<sup>rd</sup> week of credits if the employer reports a payment on either 30<sup>th</sup> or 31<sup>st</sup> December.

# What if my payroll falls on a bank holiday

- In situations where your normal pay day happens to fall on a public/bank holiday you should do the following;
  1. Continue to process your payroll using the date of the bank holiday.
  2. Report your payroll to Revenue using the date of the bank holiday.
  3. Print your payslips using the date of the bank holiday.
  4. You pay your employee on the previous banking day before the bank holiday.

This is the one situation where you can actually pay your employees on a date earlier than the date reported to Revenue.

## What if I normally pay on a Friday?

- If you normally pay wages on a Friday then in 2020 your payroll will fall on Friday 25<sup>th</sup> December (Christmas Day) and Friday 1<sup>st</sup> January (New Years Day).
- Both of these days are public and banking holidays which will cause problems for paying wages.

# Wages on Friday 25<sup>th</sup> December

- The employer processes his wages in CollSoft Payroll using a payment date of 25<sup>th</sup> December.
- These wages are reported to Revenue as being paid on 25<sup>th</sup> December in the normal way.
- Employer can actually pay his employees on 24<sup>th</sup> December.

# Wages on Friday 1<sup>st</sup> January 2021

- The employer must use CollSoft Payroll 2021 and use a payment date of 1<sup>st</sup> January 2021.
- The payroll is reported to Revenue as paid on 1<sup>st</sup> January 2021.
- Employer can actually pay his employees on 31<sup>st</sup> December.
- This is the employers Week 1 in 2021.
- The employer **MUST NOT** process this payroll in the 2020 software as a Week 53

# Wages on Friday 8<sup>th</sup> January

- In the Revenue calendar Week 1 applies to any payment date between 1<sup>st</sup> January and 7<sup>th</sup> January.
- Payments made on Friday 8<sup>th</sup> January are Week 2 payments.



# Wages on Monday 28<sup>th</sup> December

- Not many employers actually pay on a Monday, but if you do then your Payment on 28<sup>th</sup> December is falling on a Bank Holiday.
- In this case you process the payroll using the 28<sup>th</sup> December and report to Revenue as paid on 28<sup>th</sup>.
- You can actually pay your employees on Thursday 24<sup>th</sup> December.

# Payroll 2021

- Payroll 2021 will be available to download in advance of Monday morning (14<sup>th</sup> December)
- Employers will be able to make a bank disk with payment dates of 30<sup>th</sup> and 31<sup>st</sup> December 2020 in Payroll 2021.

# Dates Worked vs Dates Paid

- Always remember the golden rule that Revenue are only ever concerned with the date that a payment is made to an employee.
- It is entirely irrelevant when the employee carried out the work.
- It only matters what date the employee was actually paid.
- This applies in particular to employers who pay a week in arrears.

# Questions and Answers