

**PAYE Modernisation  
SAGE Roadshow  
25<sup>th</sup> November 2016**

# Why modernise PAYE?

Changing nature of:

- Employments
- Payroll
- Information and communications technology
- Expectations

# SMART PAYE



**S**eamless integration into payroll

**M**inimize employer cost to comply

**A**bolition of P30s, P45s, P46s, P60,  
End of Year Returns

**R**ight tax paid on current due dates

**T**ime savings

# SMART PAYE



Simplified online services

Maximise use of entitlements

Automatic end of year review

Real time accurate data

Transparency

# SMART PAYE



**S**tatutory in-year employer return

**M**aking compliance easier

**A**ccurate up to date income details

**R**educed customer contacts

**T**imely targeted interventions

# Employer Statistics

- 208,000 employers
- 110,000 employers with  $\leq 5$  employees
  - 98% filed through ROS
  - 45% use a software package to file
  - Additional 8% using ROS Offline

# Employee Statistics

- 2.5m active employments in 2015 (includes pensions)
- 200,000 employees >1 live employment
- Multiple employments with same employer

# Forms Statistics

Forms	Number received 2015
P45	705,936
P46	305,241
P30	1.3m
P35	221,620
Total	2.6m

- 5m forms generated to fulfil employer PREM reporting obligations (including 2.5m P60s)

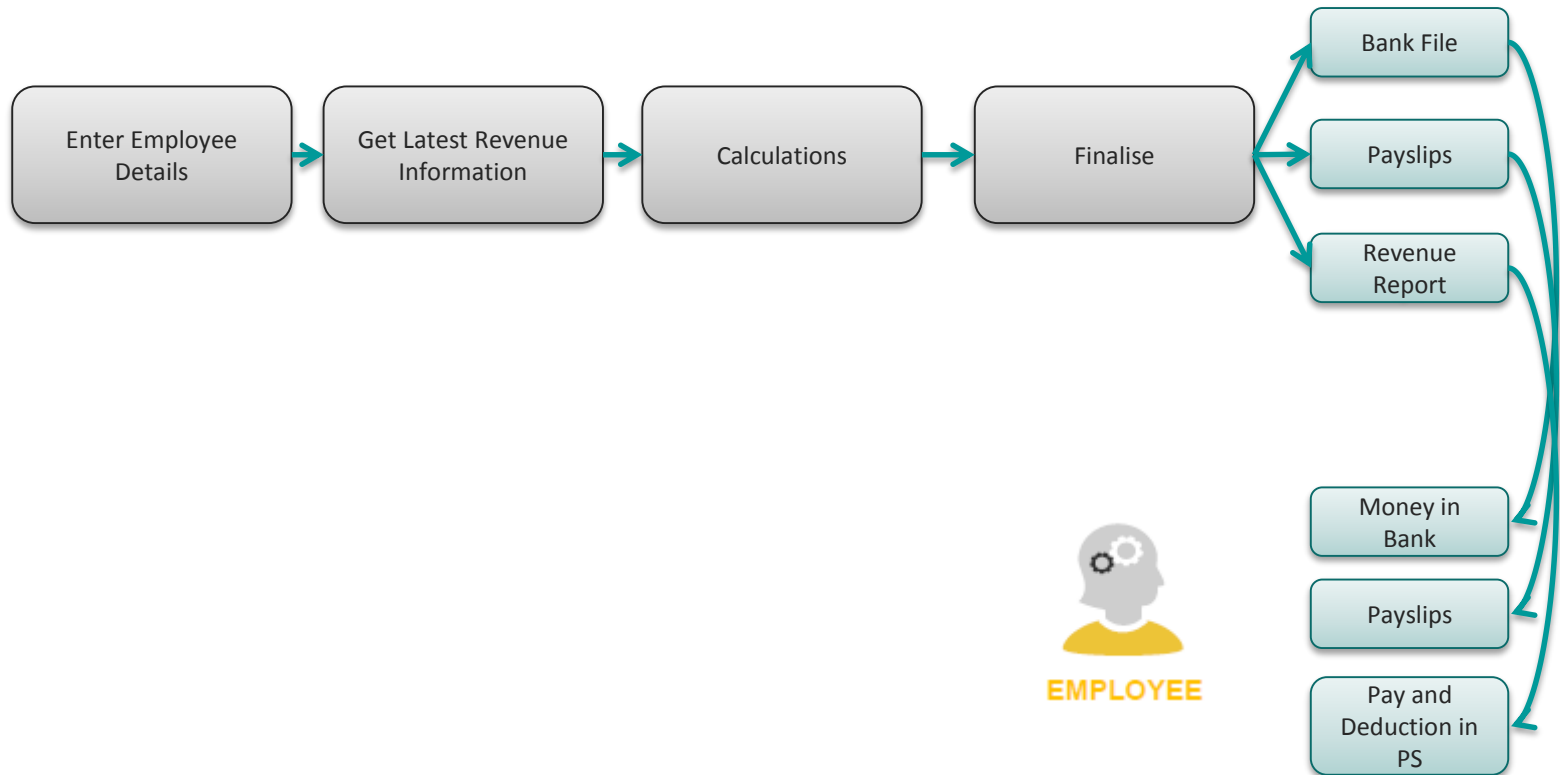


# Jobs and Pensions service

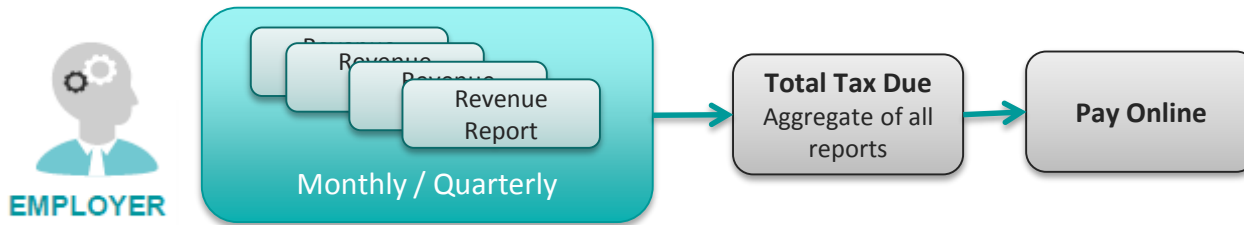
<b>Jobs and Pensions</b>	<b>Number</b>
No. of jobs and pensions added since September	18,025
New customers (Form 12A)	9,762
Existing customers	8,263

# High Level Design and Process Flows

# Seamless integration of reporting into the payroll process

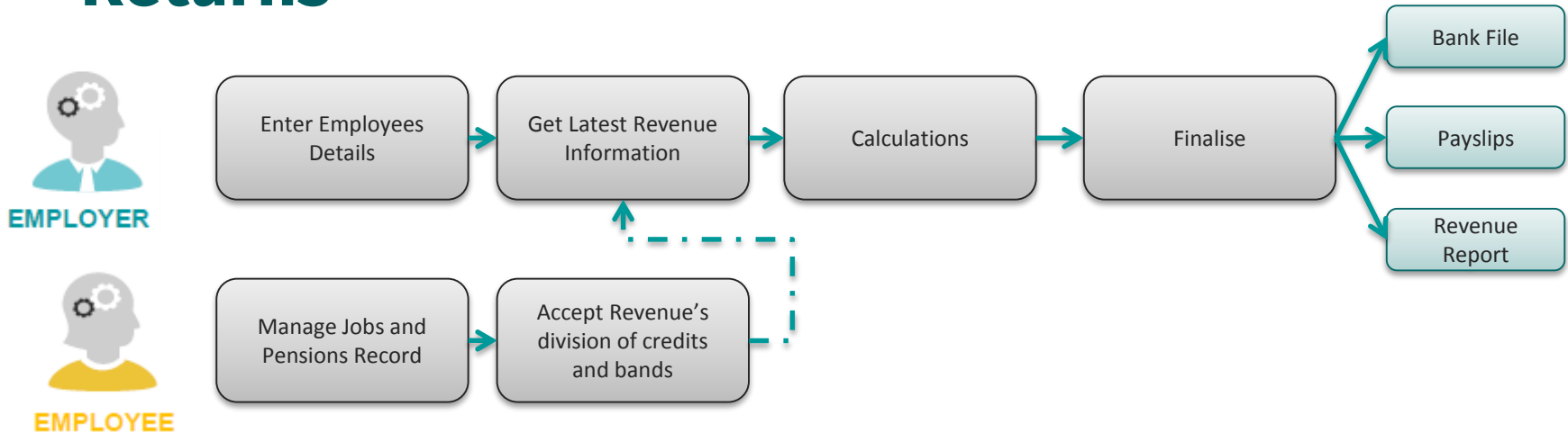


# Abolition of P30s, P45s, P46s, P60, End of Year Returns



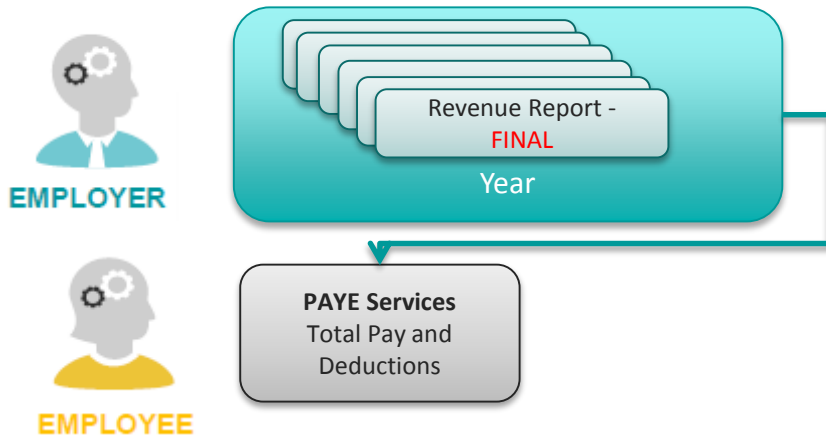
- P30
  - Total tax due calculated from aggregate of all reports in the month / quarter.
  - Employer payment made in line with current payment dates.
  - Debt management for underpayments in year.
  - Non filer interventions for non reporting in year.
  - In year interventions based on risk analysis of reporting.

# Abolition of P30s, P45s, P46s, P60, End of Year Returns



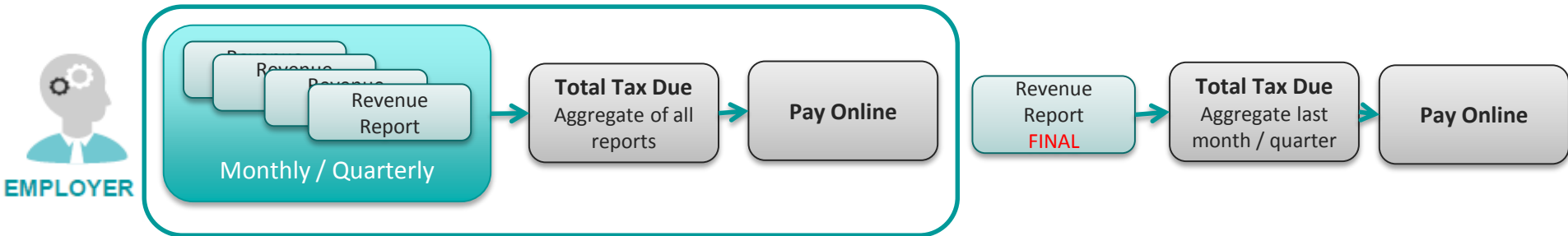
- P45 and P46s
  - Replaced by employee use of Jobs and Pensions and PAYE Service
  - Employer reporting on payroll event based on emergency tax rules if reallocation has not occurred before payroll run.

# Abolition of P30s, P45s, P46s, P60, End of Year Returns



- P60s
  - During the year employee can view up to date pay and deductions on PAYE Services
  - Once final report for year processed employee can see final pay and deductions for that employment on PAYE services

# Abolition of P30s, P45s, P46s, P60, End of Year Returns



- End of Year Returns
  - Final payroll run for the year marked by employer.
  - Total tax due calculated based on final report plus previous month / quarter.
  - Debt management for underpayments.
  - Non filer interventions for non reporting of final report.

# Public Consultation



# Public Consultation

- [www.revenue.ie/go/165/](http://www.revenue.ie/go/165/)
- **Interested in views of all stakeholders**
  - Pain points in current system
  - Preparations required
- **Closing date 12 December**
- **Ongoing direct engagement with representative bodies, employers and employees throughout the change programme**