Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

December 2023

IMPORTANT END OF YEAR NOTICE TO EMPLOYERS & PENSION PROVIDERS

This employer notice covers the following topics:

1. 2023 Revenue Payroll Notifications (RPNs)

2023 RPNs will be available to you up to and including 31 December 2023. 2023 RPNs should only apply to 2023 payroll.

2. 2024 RPNs

2024 RPNs will be available from 6 December 2023. You must request the latest RPN for all employees/pension recipients before you run your payroll and you must use the information provided in the RPN to calculate Tax and USC deductions.

Where Revenue cannot provide you with an RPN you must operate emergency tax for any employee. You will not receive an RPN if:

- your employee does not have a Personal Public Service Number (PPSN)
- your employee is not registered for Pay as You Earn (PAYE).

Details on the application and cessation of Emergency Tax are available on www.revenue.ie

Where the RPN has zero credits and cut-off points you should not operate emergency tax and standard Tax and USC must be applied at the highest rate.

3. Data Quality

It is critically important that payroll data submitted by you is accurate and timely. This information is used to create each employee's Employment Detail Summary and is included in the calculation of their end of year tax liability. Incorrect payroll data provided to Revenue may have serious and unnecessary implications for your employees' tax position and social welfare entitlements. Non-adherence to the PAYE regulations can result in penalties and/or a Revenue Audit.

Data issues to be aware of:

- Payroll submissions MUST be submitted on or before the pay date. Under no circumstances should payroll data for several pay periods be accumulated and provided in a single submission to Revenue.

You are obliged to use the most recent RPN to calculate the employee's pay and tax deductions before making a payroll submission. A warning will display if an out-of-date RPN is used on a payroll submission. If an RPN with nil credits and standard rate band is received, the employer must calculate Tax and USC at the highest rate.

- If a payroll submission is corrected or resubmitted after deletion, it must be calculated using the RPN that was valid on the pay date.

Gross Pay includes any amount that is liable to Income Tax, USC or PRSI with only a few exceptions.

- The number of insurable weeks and PRSI classes reported must be correct. Insurable weeks are not reported cumulatively, only one contribution should be reported for each insurable week and should only be calculated for that specific pay period i.e., pay frequency fortnightly equals 2 insurable weeks. Note: Employee PRSI paid field should not be amended. Guidance on correcting the number of insurable weeks is available in SW3 in Pay Related Social Insurance (PRSI) Employer's Guide.

If advanced pay spans 2 consecutive years, the insurable weeks must be reported to the correct tax year, i.e., the year it is earned. All the pay is taxed in the year that it is received and can only use the tax credits from that tax year even if the pay relates to time worked in the following tax year.

4. Pay Dates

The pay date reported by you on the payroll submission must be the date when the funds are made available to your employees. This applies regardless of when the money was earned. You must use the tax credits and rate bands that apply to the period in which the payment is made.

If a payment made in 2023 was incorrectly reported with a 2022 pay date, you must correct this immediately by amending the payroll submission for the 2022 pay date and filing a payroll submission for that payment under the correct date in 2023. Similarly, if a payment made in 2022 was incorrectly reported with a payment date in 2023, you must correct this immediately by including the payment in the 2022 submissions and amending the payroll submission for that payment in 2023.

Note: When funds are due to be available to your employee's bank account on a pay date that is a bank holiday, they can be paid on the previous banking day and the employer must report the bank holiday as the pay date.

5. Concessional Week 53

If you run a weekly, fortnightly, or 4-weekly payroll and your normal pay date falls on the 31 December (in a leap year on 30 or 31 December) you may have an additional pay period after week 52.

The term 'Week53' encompasses the following pay periods:

- Week 53-paid weekly (occurs every 5 or 6 years with 53 pay days)
- Week 54 – paid fortnightly (occurs every 11 or 12 years with 53 pay days
- Week 56- paid 4 -weekly (occurs every 22 or 23 years with 14 pay days)

Where you have an additional pay period in the year and have exhausted the employee's standard annual allowances, Revenue allows you to use tax credits and rate band (including USC rate bands) in respect of the employee on a week 1 basis. This is done to ensure that the employee suffers no reduction in take home pay in the period. This concession is referred to as 'Week 53;' and is purely for the smooth day to day operation of the PAYE system and does not confer on the employee a statutory entitlement. It only occurs when the employee is paid on 31 December or in a leap year 30 or 31 December.

'Week 53' concession points to note:

- 'Week 53' concession does not apply for employees paid in advance at Christmas.
- If you incorrectly apply 'Week 53' concession, it may result in the underpayment of income tax/USC.
- Where an employee commences mid-year and is being paid on 31st December the employer should not apply 'Week 53' concession. This will be dealt with by the PAYE end of year process and if relief is due, it will be granted.

- If you change a payday during the year, or the previous year, for the purpose of creating a 'Week 53' payday, no 'Week 53' concession is due. This also applies where a payment, including a notional payment, is made to an employee on 31 December (or 30/31 December in a leap year) and it is not the employees' normal payday.
- If the normal pay date falls on 1 January 2023, which is a Sunday, you can make the funds available on 31 December 2022 but must report the pay date as 1 January 2023 and use 2023 credits/rate bands. This is not a week 53 payment.

6 Commencement of employments

Under the Income Tax (Employments) Regulations 2018, it is your responsibility to commence a new employment with Revenue. The only exception to this is for an employee's first ever job. The employee taking up employment should be asked to provide their Personal Public Service Number (PPSN). You must use the PPSN to report the employment commencement and to request an RPN prior the first payroll payment through your payroll software or the Employer Payroll Service from the ROS homepage.

It is not the responsibility of the employee to contact Revenue regarding the commencement of employments and you should not leave this matter to the employee to deal with. The facility within myAccount, Jobs and Pensions is confined solely to employees taking up their first ever job.

7. First Job

When an employee is starting work in Ireland for the first time, they must register with Revenue as soon as possible. This is to ensure they are paying the correct tax and avoid paying emergency tax. This must be done even for a part- time or temporary job.

To do this, the first time employee must register for myAccount and register their employment through 'Update job or pension details' link in 'PAYE Services' in myAccount. Revenue generates a Tax Credit Certificate and an RPN will be made available to you.

8. Illness Benefit/Maternity Benefit

Where Illness Benefit/Maternity Benefit is mandated to you, the payment amount is not included in Pay for Income Tax, Pay for USC or Pay for PRSI as DSP will have notified Revenue of the payment and the individual's tax credits will have been adjusted in the latest RPN., If you are topping up the Illness Benefit/Maternity Benefit payment, this additional amount is treated as pay in the normal manner and should be included in all fields and taxed accordingly. When Illness Benefit/Maternity Benefit is not mandated to you, the payment amount should **not** be included on the payroll submission. If the Illness Benefit/Maternity Benefit has been included in error, all affected payslips must be corrected to remove the Illness Benefit/Maternity Benefit.

Illness Benefit/Maternity Benefit mandated to you relating to a 2022 Illness Benefit/Maternity Benefit claim that has not been paid to employer until 2023 must be included in the 2022 payroll. Any 2023 pay slips that include Illness Benefit/Maternity Benefit relating to 2022 in any pay field must be corrected to remove the Illness Benefit/Maternity Benefit.

For corrections in the current year, the cumulative basis will ensure that the correct amount of tax is deducted from the employee's salary. If corrections are out of year, the employee is advised to file an income tax return to recoup the overpaid tax.

9. Class A PRSI Rates/Insurable Weeks

There was a change to the Class A employer rate threshold of €441.

Weekly earnings up to and including €441 will attract the employer Class A rate of 8.8%. Where weekly earnings exceed €441 the Class A employer rate of 11.05% will apply.

From 1 October 2024 all PRSI contribution rates will increase by 0.1%.

The number of weeks worked by an employee and for which they were paid, including pay in respect of holidays, should be recorded under Insurable Weeks. Only one contribution should be recorded for each insurable week for which the employee worked and was paid. For more information click here.

What is happening regarding PRSI from 1 January 2024?

From 1 January 2024, a person will be able to draw down their State Pension (Contributory) (SPC) at any age between 66 and 70. This will give a person the opportunity to continue to work and pay PRSI which may improve their contribution record for when they decide to draw down their SPC. As a result, the upper age limit for PRSI exemption is being changed via legislation from 66 years to 70 years with effect from 1 January 2024. This will apply to include the employee, the employer and the self-employed PRSI liability. For further information relating to the impact of PRSI class changes post age 66, please click here.

10. ROS Digital Certificates

ROS access is critical to fulfilling your obligations as an employer.

You should regularly review your ROS digital certificate(s) to ensure that they do not expire. ROS Administrators should routinely log in to ROS and if prompted to renew, should proceed with the renewal. If the ROS Administrator certificate expires, all sub-users will be suspended until a new certificate is obtained, which may take up to 5 working days. There is only one ROS Administrator certificate. To check that you are the ROS Administrator, go to the Profile tab in ROS – only the ROS Administrator may update contact details there.

Information regarding ROS certificates is available on our website – see Online Services / ROS Help

11. Agent Links

Payroll submissions made and monthly statements generated before the date the Agent link takes effect are not accessible to new Agents. If an Agent needs access to view or update periods pre-dating the Agent link, they should ensure that the agent link letter updated shows the requested effective date and be signed by the taxpayer The agent can then contact Revenue My Enquiries requesting that the Agent Link be backdated to the appropriate date. The request should be directed to My Enquiries location: My enquiry relates to “Tax Registration /Cancellation” and more specifically “Agent Registration”.

12. Benefit in Kind (BIK) on Electric Vehicle

Certain BIK exemptions are available where the car made available by you is an electric vehicle. More information on exemptions are available on www.revenue.ie

13. Enhanced Reporting Requirements

From 1 January 2024 employers who pay any of the expenses/benefits below to their employees will be required to report those benefits to Revenue. This submission must be made by you on, or before, the payment date to the employee.

- Travel and Subsistence
- Small Benefit Exemption
- Remote Working Daily Allowance

Revenue Online Service (ROS) will provide a means of manually submitting Enhanced Reporting Requirements (ERR) details. This facility will be similar to that currently used for payroll reporting.

Revenue has engaged with 3rd party software providers throughout 2023 to develop this service. Employers should contact their software providers to ensure their systems will integrate with Revenue systems.

A recording of recent webinar and a copy of the presentation giving an overview of Enhanced Reporting are available on the Revenue website. For further information please see www.revenue.ie/err

14. Real Time Credits

A real time credits facility is available to employees and pensioners since 2021. Employees/pensioners can claim for expenditure incurred on Health expenses, Nursing Home expenses and Remote Working expenses. You should note that this may result in frequent changes to employee tax credits and/or rate bands. You should always request the most up to date RPN immediately prior to running payroll. Further information in respect of Real Time Credits is available on www.revenue.ie.

15. Remote Working Relief

You can make a payment of up to €3.20 per workday to a Remote Working employee without deducting PAYE, USC and PRSI, subject to certain rules and conditions. This payment is to cover expenses incurred by your employee such as broadband, heating and electricity costs. Any amount paid higher than €3.20 per workday must have tax deducted and should be included on the payroll submissions. Records of the tax-free payments made must be retained by you.

If you do not make this payment to your employees or if the utility and broadband expenses that they pay are not fully covered, they can make a claim for Remote Working expenses. The relief is apportioned based on the number of days they actually worked at home and a percentage of the heating/electricity and broadband bill they paid. Your employees can make a claim for Remote Working expenses for 2020 and 2021 by completing and submitting an Income Tax Return. From 2022 employees can make a Real Time Credit claim in year through Receipts Tracker or PAYE Online Service on myAccount. This may result in more frequent updates to RPN's.

Where you make a tax-free contribution of up to €3.20 per day to employee working from home expenses, the employee must deduct this amount from any amount claimed on their Income Tax Return.

16. Employees' Employment Detail Summary

Details of an employee's incomes and statutory deductions for each employment or pension for 2023 will be available to view, download and print in their 2023" Employment Detail Summary" in 'PAYE services' on myAccount. This will be available from January 2024 and can be used where proof of income is required by a third party. More information on obtaining an Employment Details summary are available on www.revenue.ie

17. Preliminary End of Year Statement

A 2023 *Preliminary End of Year Statement* will be made available to employees in early January 2024. This preliminary calculation of the employee's tax position will be based on the pay and tax deductions reported by you and other income reported to Revenue. For more information, please go to: www.revenue.ie.

18. **Income Tax Return**

To claim additional credits, reliefs, or expenses, such as Health, and Remote Working expenses, or declare additional incomes, employees must complete an Income Tax Return. This will allow employees to confirm if they have paid the right amount of tax, claim a refund of tax or USC overpaid or confirm any liability of tax or USC underpaid. The employee can upload their receipt details through Receipts Tracker in myAccount. Where receipts have not been uploaded these receipts must be retained for 6 years.

The Income Tax Return will be available to complete from 01/01/2024 and can be found at '*Review your tax 2020 - 2023'* and *'Income Tax Return'* in myAccount. Once completed, the employee will receive their Statement of Liability confirming their tax position and will detail amount to be refunded if any or options to collect underpaid tax or USC.

19 Small Benefit Exemption

The total value of the tax-free benefits or vouchers you can give an employee per year has increased from €500 to €1,000. The number of qualifying vouchers or incentives per year has also increased from one to two. This change applies for 2022 and subsequent years. Further information on Small Benefit Exemption are available on www.revenue.ie

20. National Employer Helpline

The **National Employer Helpline** provides information and support to employers. Contact details as follows: MyEnquiries: Select '*Employers PAYE'* in '*My Enquiry Relates To'*.

21. Further assistance

Additional information is available using the links below on www.revenue.ie:

- information for employers including guidance on employing people, can be found at revenue.ie/en/employing-people/index
- using ROS - see Online Services / ROS Help or at revenue.ie/en/onlineservices/support/help-guides/ros/guide-to-ros.