

GMS Flash Alert



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Ireland – Modernising PAYE and Real Time Reporting Coming Soon

PAYE modernisation represents the biggest change in Ireland to the administration of employment taxes since the introduction of the PAYE system in 1960.¹ In simple terms, real time reporting (RTR) requires employers to submit the details of each employee's pay to Revenue on or before each pay day. An accurate and detailed breakdown of all pay, deductions, and tax must be disclosed in respect of each employee, effective 1 January 2019.

The KPMG International member firm in Ireland has just published a new brochure entitled "[PAYE Modernisation – Real Time Reporting of Payroll Taxes](#)," that readers may access. To learn more, click [here](#).

WHY THIS MATTERS

The scale of the business process changes required should not be underestimated, particularly for companies with complex payroll structures. For example, the frequency with which this level of information needs to be provided to Revenue will mean a major operational change in the management of payroll taxes.

Also, it should be noted that Revenue is aware that many employers' processes include a 'catch up' at year end. This will no longer be possible under the new regime.

Some Key Changes

- All current forms relevant to payroll taxes (i.e., P30, P35, P60, and P45) will be abolished. The tax details disclosed in each payroll run will be collated and a statement will be issued by Revenue, which will become the employer's payroll tax return, replacing the P30 form.

- Companies will have 14 days to review this statement and investigate any errors/discrepancies, before paying over the relevant tax to Revenue by the payment dates in the following month. Tax payment dates will remain unchanged.
- Employers are required to download the latest RPN (Revenue Payroll Notification, which is akin to the current P2C/TCC) for each employee and use the details therein to calculate the payroll taxes to be deducted. These tax details, along with a significant number of other employee-specific remuneration data items, need to be disclosed in a PSR (Payroll Submission Request), on or before the day on which employees are paid.

KPMG NOTE

Areas that have historically been challenging to deal with from a payroll tax perspective need to be reviewed to establish whether the processes in place are appropriate and robust for purposes of managing the accurate submission of data to Revenue, for example, share-based remuneration, benefits-in-kind on company cars, inbound/outbound assignees and short-term business visitors, etc.

FOOTNOTE:

1 For additional information from Revenue, [click here](#).

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Contact us

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