

Employers

P35 deadline fast approaching

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HRSB 09 23

1 Month to go to
December 09 payroll –
is it correct? Confirm
your confidence
in your payroll and
V.E.R.I.F.Y.

- V.** Valuation of benefits
- E.** Expense reimbursements
- R.** Redundancy payments
- I.** Income levy application
- F.** Foreign payroll procedures
- Y.** Year end check



Valuation of benefits e.g. company cars, health insurance, staff loans, vouchers etc.

- Have all notional pay items been accurately calculated and included in pay?
- If BIK company car rate is less than 30%, has business mileage been accurately recorded?
- Health insurance premiums for employees aged 50 and over - are you complying with the PAYE Notice to Employers dated August 2009?
- Is the BIK calculated on the gross health insurance premium for all employees?

Expenses (business mileage/ subsistence) - are all expense payments vouched and signed off?

- If using Civil Service Rates - have you reduced the company reimbursement rate in line with the revised maximum permitted Civil Services Rates issued in March 2009?
- Is there a sufficient level of detail being provided to support a tax free payment?

Redundancy payments - do you know the rules for calculating the highest tax free exemption?

- Have you claimed the employer's rebate for Statutory Redundancy?

- Have you applied for the rebate to be offset against other tax liabilities due by the company?
- Is there holiday pay and / or pay in lieu of notice? If so how was it treated for tax purposes?
- Are there any non cash or post termination benefits included e.g. use of a company car, laptop, medical insurance premium, or outplacement services. How have these items been valued and treated for tax purposes?

Income levy - what income has it been applied to?

- Is it calculated on gross income before employee pension contribution and AVCs?
- Have Social Welfare payments been excluded from gross income (e.g. Illness Benefit)?

Foreign contracts of employment exercised in Ireland.

- Are you operating a payroll for overseas employees on secondment to Ireland?
- Are all benefits and remuneration included?
- Is there a regross calculation necessary?
- If an employee is on a short term assignment, tax relief may be available - have you checked?

Year end check before December payroll on OTHER RISK AREAS e.g.

- PRSI contribution rates - There are specific exemptions available from the Health levy, are you applying these?
- Employer's PRSI exemption scheme if employee in receipt of a Back to Work Allowance - does this apply?
- Proprietary Directors/Non Executive directors - have you checked the correct PRSI contribution class and has PAYE been applied?
- Pension cap for 2009 - maximum €150,000 - have the ceiling and the age related percentage been complied with for employee pension contributions and AVC purposes?

**Don't delay,
act today,
verify your
payroll**

Getting it wrong could lead to interest and penalties

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