



Payroll Ireland newsletter

November 2023

Enhanced Reporting Requirements

From January 2024, there will be a mandatory requirement for employers to report to Revenue on certain expenses or benefits paid to employees on a real-time basis. The requirement was introduced in Finance Bill 2022, Section 897C of the TCA 1997.

What is it?

Employers will be required to report details about certain expenses or benefits to Revenue in electronic format on or before the date of such payment on behalf of employees.

ERR will apply to enhanced benefits paid directly to employees in three categories. Expenses made by employers on behalf of employees will not be reportable.

1. Small benefit

The total value of the tax-free benefit or vouchers an employer can give an employee annually has increased from €500 to €1,000. The number of qualifying vouchers or incentives yearly has also increased from one to two.

From January 2024, employers must report to Revenue on the date vouchers were provided and the value.

2. Remote working daily allowance

Employers can pay not more than €3.20 per day to an employee about the days the employee performs the duties of their employment from their residence where no tax was deducted.

Employers will have to report the following information:

- Number of days.
- Amount paid.
- Date paid.

3. Travel and subsistence payments

This relates to payments made to an employee by their employer concerning expenses for travel or subsistence incurred by the employee where no tax was deducted. Travel and subsistence will be broken down into seven categories:

- Travel vouched.
- Travel unvouched.
- Subsistence vouched.
- Subsistence unvouched.
- Site based employees.
- Emergency travel.
- Eating on site.



How to Report?

Reporting will be made by employers through a separate service area on the Revenue Online System (“ROS”). ROS will have the facility to submit, amend and correct ERR data.

There are three options to make an ERR submission:

1. Completion of an online file on ROS.
2. File upload.
3. Directly from a payroll or expense management system.

Preparation

Here are some actions that employers should consider taking before ERR is implemented:

- Identify if you provide any of these reportable payments to employees. Examine how these payments are currently collated and categorised and how records are maintained.
- Review the frequency of payments. The requirement to report is ‘on or before’ the payment or benefit is made, which could lead to significant additional administration if multiple reports must be made each month.
- Review your policies and practices to ensure they align with the legislation and applicable rules.
- Review the controls in place to track all vouchers and non-cash benefits provided to employees. For example, regarding the Small Benefit Exemption, if more than two benefits are provided in a tax year, only the first two may qualify for exemption.
- Identify who will be responsible for collating/reporting the information and other personnel and departments in your organisation that may need to be involved to ensure timely and accurate reporting of information.
- Employees will have visibility of benefits or expenses reported in their employer submissions via their myAccount. Therefore, employers should consider issuing a communication to their employees before 1 January 2024 to outline the information they will be reporting to Revenue.
- Determine how your current internal IT systems will integrate with ROS. Revenue has provided technical specifications and a test facility for those software developers currently building and testing software solutions. Employers concerned about whether their payroll software supplier is engaging and developing an ERR reporting solution are advised to contact their software supplier to clarify the matter.

We are here to assist you

Please get in touch with us if you would like advice or support on preparing for ERR or if you would like Mazars to handle the ongoing compliance burden of these returns on your behalf.

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