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Enhanced Reporting Requirements (ERR) – What You Need To Do

The Finance Act 2022 will require employers to report details of certain expenses and benefits made to employees and directors. Reporting the details of these expenses and benefits will commence on 01 January 2024.

For further information on these expenses and benefits. You must submit details of these expenses and benefits using Revenue Online Service (ROS). This submission must be made by you on, or before, the payment date to the employee.

Information you need to report

Phase 1 will apply to any payments you make to an employee or director under the following categories:

Small benefit exemption

You must submit details of the date paid and value of this benefit. From 1 January 2022, you can give employees up to two small benefits, tax free, each year. This is as a result of changes announced in the Budget on 27 September 2022. These benefits must not be in cash and the combined value of the two benefits cannot exceed €1,000.

If more than two benefits are given in a year, only the first two may qualify for tax free status. Unused allowance amounts cannot be carried over.

Tax-free vouchers or benefits can be used only to purchase goods or services. They cannot be redeemed for cash.

Note: A single benefit of up to €1,000 may be provided to an employee tax free. If a single benefit exceeds €1,000 in value, the full value of that benefit is subject to tax. Where two benefits are provided, the combined value of those benefits cannot exceed €1,000.

Remote working daily allowance

When you are paying a Remote Working daily allowance, you must report the: total number of days, amount paid and date paid. If you are a remote worker, your employer may pay you up to €3.20 per day without deducting:

- Pay As You Earn (PAYE)
- Pay Related Social Insurance (PRSI)
- Universal Social Charge (USC).

This is to cover the additional costs of working from home, such as electricity, heat and broadband. Your additional costs might be higher than €3.20.

Your employer may pay these higher

costs. Any amount more than €3.20 per day paid by your employer will be taxed. If you claim Remote Working Relief, any payment by your employer for remote working expenses must be deducted from your claim.

Travel and subsistence

You can pay your employees' expenses when they travel on business journeys. You can also pay subsistence if employees are working away from their normal place of work. You can repay your employees when they use their private cars, motorcycles or bicycles for business purposes.

You must submit the following Travel and subsistence items, including the date paid and amount of each payment for:
Travel vouched

- Travel unvouched
- Subsistence vouched
- Subsistence unvouched
- Site-based employees (including 'Country money')
- Emergency travel
- Eating on site.

There is a recorded webinar available at:
https://www.revenue.ie/en/employing-people/becoming-an-employer-and-ongoing-obligations/reporting-jan-2024/index.aspx

Submitting payment details to Revenue

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.

There has been ongoing engagement with stakeholders on the implementation of these requirements, which will continue throughout the year. This began in January 2023, with Revenue contacting all stakeholders seeking their engagement to implement this reporting requirement.

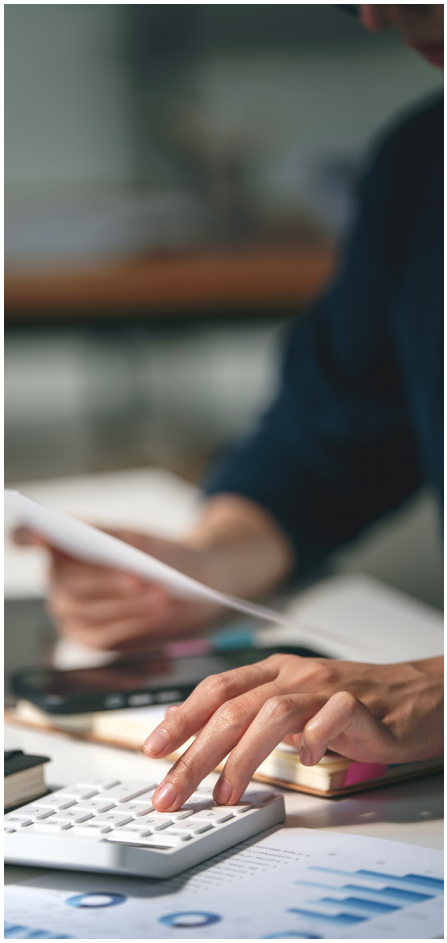
Submitting payment details through Revenue Online Service (ROS)

You will be able to submit payment details through Revenue Online Service (ROS) from December 2023.

3rd party software providers

Revenue has engaged with 3rd party software providers throughout 2023 to develop this service. A facility is available to enable software providers to test integrations with Revenue systems. Employers should ensure that their software provider is aware of this new reporting requirement and engage with Revenue in implementing it.

For more information on how to submit payments details, please see the below link.
https://www.revenue.ie/en/employing-people/becoming-an-employer-and-ongoing-obligations/reporting-jan-2024/submitting-details-to-revenue.aspx



Why is this information required?

This information will:

- Enhance Revenue's Compliance Intervention Framework by directing resources away from compliant employers
- Provide quality high level data in support of effective and informed policy decisions by the Department of Finance
- Increase visibility and assurance for employees in relation to non-taxable payments.

For more information see the **Revenue.ie** website.

How can employers prepare for ERR?

The ERR will significantly affect employers from 1 January 2024. Hence, we suggest the following actions for employers to prepare for this change:

- Examine current methods of collating, categorising, and maintaining records of these payments.
- Review payment frequencies. For instance, the requirement to report 'on or before' a payment or benefit could lead to substantial additional administration if multiple reports are necessary each month.
- Ensure your policies and practices are in line with the legislation and applicable rules.
- Review the controls for tracking all vouchers and non-cash benefits given to employees. For instance, concerning the Small Benefit Exemption, if more than two benefits are provided in a tax year, only the first two may be eligible for exemption.
- Determine who will be responsible for reporting the information and which personnel and departments within your organisation need to be involved for timely and accurate information reporting.
- Employees will see benefits or expenses reported in their employer submissions through their myAccount. Therefore, employers might want to consider issuing a communication to their employees before 1 January 2024, detailing the information to be reported to Revenue.
- Revenue has offered technical specifications and a testing facility for software developers currently creating and testing software solutions. Employers worried about whether their payroll software supplier is participating in and developing an ERR reporting solution should contact their software supplier for clarification.

Frequently Asked Questions

What or who is within Scope of Enhanced Reporting Requirements?

Q: Are payments by the employer on behalf of the employee excluded from the reporting requirement. Ex: travel costs paid by a company credit card?
A: Currently for the purpose of Travel & Subsistence ('T&S') categories within the ERR requirements, if the expense has not been incurred by the employee and is not a reimbursement of such an expense, it is not within the scope of Enhanced Reporting Requirement ('ERR'). It is not the intention that payments of Travel & Subsistence paid via a company credit card are required to be reported.

Q: Are Charities subject to ERR?
A: All employers who have employees and/or directors who are in receipt of emoluments to whom they provide Travel & Subsistence, Small Benefit Exemption ('SBE') or Remote Working Daily Allowance ('RWDA') without the deduction of tax are obliged to report these payments to Revenue.

Q: For expense payments normally processed through the payroll, do these expenses need to be removed from the payslip and paid separately?
A: If your current submissions through payroll are taxable expenses and recorded on the payslip there is no need to change your existing process. However, all non-taxable items that fall under the new ERR requirements must be reported separately on or before they are being processed as set out in legislation. It would be advisable to reach out to your existing payroll software provider to understand how they may be facilitating Enhanced Reporting Requirements.

Q: Will all actual expenses that are/will be reimbursed to the employee need to be reported?
A: Currently the items that are reportable through Enhanced Reporting Requirements are certain untaxed payments of Travel & Subsistence, Small Benefit Exemption and Remote Working Daily Allowance.

Q: Where there are other expense items recorded in the same system as the items being reported under this new process, do those items get included or is It just the reportable items that need to be extracted and reported to Revenue?
A: Currently, the items that are reportable through Enhanced Reporting Requirements are certain untaxed payments of Travel & Subsistence, Small Benefit Exemption and Remote Working Daily Allowance. If the item does not fall within one of these categories, it must be removed from the submission to Revenue.

Q: Would Per Diem payments be included in this?
A: With the new ERR requirements you must report untaxable items paid under the specified categories, on or before the payment is made to the employee.

Q: We have an employee who works solely abroad. We applied for, and were issued with, a PAYE Exclusion Order. Do we have to report their Travel & Subsistence under Enhanced Reporting Requirements?
A: In the same manner as payroll reporting, a valid, in-date, PAYE Exclusion Order will exempt an employer from the requirement to report under ERR.

Reporting Processes and Requirements

Q: An employee might have 50 or 60 T&S items every month, does each item have to be submitted individually through ROS, for each employee?
A: It is not necessary to report each individual item unless they are being paid individually. There are three mechanisms available to employers to report Enhanced Reporting Requirements to Revenue. These are:

- Through a real- time integration with a software package that is being developed with software providers.
- Through file upload to ROS (bulk upload) or
- Through Online Forms via dedicated ROS screens.

An employer may choose which one is most suited to their needs and circumstances. The obligation under Enhanced Reporting Requirements is that the reportable items are reported on or before the payment is made to the employee. If an employee has multiple Travel & Subsistence claims in a month but these are all paid at once, they can be reported at one time.

Q: If T & S is paid as part of the payroll, can this be uploaded in one combined submission or has the software provider to split out the submission files?
A: Enhanced Reporting Requirements is a separate reporting requirement from payroll. If these are being reported through payroll it will be necessary to ensure the facility enables the splitting of the Enhanced Reporting Requirements items from payroll. It would be advisable to speak to your software provider to understand how they intend to integrate their system to enable Enhanced Reporting Requirements.

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Q: We pay our wages fortnightly and T&S each week. If we are reporting these payments in real time, will this mean that we are required to make 6 submissions to Revenue in one month?
A: The obligations under Enhanced Reporting Requirements are that all reportable items are reported on or before the payment is made to the employee.

Q: Do we have to report on only 2024 expenses or is it back dated to 2023?
A: The reporting requirement come into effect from 1 January 2024 and relates to payment dates on or after 1 January 2024. It is important to note that if a payment relates to 2023 but isn't paid until 2024 this may impact annual entitlements for SBE and RWDA.

Small Benefits

Q: Would the following be considered a small benefit?

- Gifts made to the children of employees.
- Gifts for the birth of a child or a marriage or a special occasion?
- Would a long-term service award, such as a watch be considered a small benefit?
- What about gifts on retirement?
- Flowers
- Wine

A: An employer must determine in advance of making any payment or providing a benefit whether it is a taxable or non-taxable payment. If it is taxable the employer should make the necessary deduction under the PAYE system and report through payroll. If the benefit meets the conditions to qualify for the small benefit exemption, then the employer must be report it to Revenue, in accordance with S897C. There is detailed guidance available in Tax & Duty Manual Part 05-01-01e and these conditions must be satisfied in order for it to be considered an exempt small benefit. Any gift that is deemed by the employer to be an exempt small benefit as provided for in section 112B Taxes Consolidation Act 1997 and paid to an employee is required to be reported by the employer under Enhanced Reporting Requirements. In all of these scenarios mentioned above, it is possible, depending on the underlying circumstances that they are considered to be a small benefit.

Q: Is the limit of two vouchers on the employer or on the individual for example, if someone is employed by more than one company are they entitled to something from each employer?
A: The limit is per employer.

Q: Why is it not possible to pay our staff €1,000 per annum, untaxed, through our payroll system instead of Vouchers?
A: The legislation, as set out in section 112B Taxes Consolidation Act 1997, outlines that, in order to meet the criteria for a small benefit exemption, it must take the form of a tangible asset other than cash. Detailed guidance on this can be found in Tax & Duty Manual Part 05-01-01e. If an employer wishes to provide a cash amount of €1,000 to employees, this is a taxable payment and the appropriate income tax, USC and PRSI, i.e., PAYE deductions must be made on or before payment is made to the employee and reported through payroll.

Q: Regarding gift vouchers, is the €1,000 limit per employee? If more than one employee, can we allow €2,000 for them?
A: Detailed guidance on the small benefit exemption can be found at Tax & Duty Manual Part 05-01-01e. An employer may give employees a small benefit to the maximum value of €1,000, per employee, per year. No more than two such small benefits can be given to an employee in a year. This may be done by means of a voucher or other tangible asset that cannot be exchanged for cash.

Q: In relation to small benefit exemption system when an employee receives a voucher, and this can happen on a monthly basis, the exemption amount is €1,000 euro, should we be reporting an amount of say €50 euro through payroll on a monthly basis or should we wait until the employee has reached the threshold of €1,000 euro.
A: To meet the conditions of small benefit, as set out under section 112B Taxes Consolidation Act 1997, no more than two small benefits can be given to an employee by an employer in a year. The first two benefits made, that meet the small benefit criteria, will be deemed to be a small benefit for the purposes of Enhanced Reporting Requirements. Detailed guidance on the small benefit exemption can be found at Tax & Duty Manual Part 05-01-01e. Only non-taxable payments of small benefit are reportable under Enhanced Reporting Requirements. All other non-cash payments must have the appropriate deductions for income tax, USC and PRSI and be reported through payroll.

Q: In relation to small benefits/ voucher, can it be 1 voucher to value of €1,000, or does it have to be broken up in to 2 vouchers of €500 each and if it has to be over 2 gift cards, can they be done at the same time or do they have to be done at 2 separate times over the year?
A: It is at the discretion of the employer whether that is by means of one or

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two vouchers, or another tangible asset. No more than two benefits can be made per employee, per year. If more than two benefits are paid in the year, only the first two benefits qualify for tax-free status. Detailed guidance on the Small Benefit Exemption can be found at Tax & Duty Manual Part 05-01-01e. It is a cumulative limit of €1,000 per year for an employee, by means of no more than 2 benefits (being a tangible asset that cannot be exchanged for cash).

Q: Small benefits are generally provided directly by employers rather than expensed through payroll. How does reporting work in practice?

A: Employers are expected to keep detailed and robust records of all non-taxable payments made to employees. Equally they are expected to have determined in advance of any payment to an employee whether tax is applicable or not. As part of an employer's existing governance processes when the employer is recording the items they have determined are non-taxable and are processing them to provide to employees, they will now report the non-taxable small benefits to Revenue. Revenue is providing three mechanisms in which an employer will be able to report these in realtime to Revenue. These are:

- Through a real time integration with a software package that is being developed with software providers.
- Through file upload to ROS (bulk upload) or
- Through Manual entry via dedicated ROS screens.

An employer may choose which one is most suited to their needs and circumstances.

Q: Do you have examples of what constitutes reportable benefits for the small benefits exemption e.g., other than vouchers?

A: A small benefit is determined as a tangible asset which cannot be exchanged for cash. Vouchers are the most common items, however any item that falls within the description above may be considered a small benefit. It should be noted that to meet the requirements of the small benefit exemption, there are other conditions set out in Tax & Duty Manual Part 05-01-01e that must also be met.

Q: If you have submitted two voucher amounts that are less than €1,000, then later in the year a third is paid that is bigger than one of the previous, but still under the €1,000, can it be swapped with a previous one?

A: No, Detailed guidance of what constitutes a small benefit are set out in Tax & Duty Manual Part 05-01-01e. One of the conditions is that if more than two benefits are given in a year, only the first two may qualify for tax exemption.

Q: Do you now have to report in respect of all staff that received a Christmas voucher.

A: Yes, if it meets the conditions of a small benefit. Detailed guidance of what constitutes a small benefit are set out in Tax & Duty Manual Part 05-01-01e.

Travel and Subsistence

Travel

Q: How is Emergency Travel defined?

A: Tax & Duty Manual Part 05-01-06 sets out details of emergency travel.

Q: If an employee driving their own personal vehicle in the performance of their duties has to buy diesel while out on the road and brings the receipt back, where normally this would be paid from petty cash, does this now have to be reported?

A: Employers are obliged to report untaxed payments of Travel & Subsistence under the Enhanced Reporting Requirements obligation. Vouched travel is included and is therefore reportable on or before the payment for that reimbursement is being made to the employee.

Q: If you repay an employee expenses like petrol, car washes, tolls, computer supplies do you include them in the submission and what section do they fall under?

A: You must report what is deemed as a qualifying expense under the new ERR requirements. Further guidance on the criteria can be found in Tax and Duty manual Travel & Subsistence: Part 05-01-06.

Q: If employee is using their personal credit card and submits T&S expenditure to their employer, does this have to be reported to Revenue?

A: If the employee has incurred any expenditure that meets the criteria of travel and subsistence. The employer must report this expense under the relevant T&S subcategory to Revenue under the new Enhanced Reporting Requirements on or before the payment is being made to the employee.

Q: Does the reporting requirement apply to taxable allowance for travel paid monthly?

A: Only non-taxable items of Travel & Subsistence, are currently reportable through Enhanced Reporting Requirements.

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Subsistence

Q: Are subsistence expenses paid to employees in the haulage industry reportable under this new regime?
A: Non-taxable items of Travel & Subsistence, Small Benefit Exemption or Remote Working Daily Allowance are currently reportable through Enhanced Reporting Requirements. If the items you are referring to fall under any one of these categories, then employers are obliged to report them under Enhanced Reporting Requirements. Tax & Duty Manual Part 05-01-06 provides detailed guidance in regard to the tax treatment of the reimbursement of travel & subsistence.

Eating on Site

Q: Is eating on site allowance to be included in travel and subsistence?
A: Where an eating on site allowance is paid without tax deductions, it must be reported to Revenue under Enhanced Reporting Requirements. Detailed guidance in regard to the tax treatment of allowances to site-based employees can be found in Tax & Duty Manual Part 05-01-06, which can be found on www.revenue.ie

Country Money

Q: In relation to country money, what information is needed to be submitted?
A: The tax treatment of expenses paid (including 'country money') to site-based employees is contained in Tax & Duty Manual Part 05-01-06. In general, an expense not exceeding €181.68 per week may, subject to exclusions, be paid tax-free to a site-based employee where such employee is employed and working at a site which is 32km or more from the employer's base. Once you are satisfied that the payment is country money and as such meets the conditions for tax free treatment, you must report the date of payment and amount paid to Revenue.

Using a Company Credit Card

Q: If the employee puts their T&S through a company credit card, is this reportable?
A: For the purposes of ERR If the employee has not incurred an expense and no reimbursement has taken place, then this is not in the scope of Enhanced Reporting Requirements.

Q: Christmas bonus of Gift vouchers - do they need to be reported if purchased by credit card?
A: Yes, any gift or voucher provided by the employer to an employee must be reported if it meets the criteria of a small benefit exemption as set out under section 112B Taxes Consolidation Act 1997. How the employer purchases the gift or voucher is not relevant.

Reporting Mechanisms

Permissions, Agents, Administrators

Q: Will current ROS certificates be updated to include ERR? Will permissions be available for sub certs as well?
A: Employers and Financial Agents will have automatic access to Enhanced Reporting Requirements under their existing certificates. Non-Financial Agents will have to apply for Enhanced Reporting Requirements permissions. This process will require non-financial agents to initially remove the 'payroll agent link' and subsequently re-register by selecting both 'payroll' and 'ERR links'. Any sub cert can be given Enhanced Reporting Requirements permissions, without giving payroll permissions. Agents can also apply to be an Enhanced Reporting Requirements only agent, without payroll access.

Those with Enhanced Reporting Requirements permissions can both submit or view Enhanced Reporting Requirements submissions and create monthly reports. Those with Enhanced Reporting Requirements 'view only' permissions can only view Enhanced Reporting Requirements submissions or create monthly reports. Sub certificates can be created under the main certificate to allow other users to view/submit Enhanced Reporting Requirements.

Corrections

Q: Will a correction facility be available for ERR submissions?
A: In the case where incorrect information is reported, individual expense/benefit line items can be amended or deleted.
Examples of how specific corrections are to be reported can be found on Revenue's Git Hub page:
https://revenue-ie.github.io/paye-employers-documentation/

Employer Reporting Notification (ERN)

Q: What is the Employer Reporting Notification (ERN)? Why is the Employment ID necessary when reporting expenses/benefits?
A: Both PPSN and Employment ID are required when submitting expenses/benefits as employees may have more than one Employment with an employer. Including the Employment

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ID allows Revenue to assign the payment to the correct employment. As users submitting the expenses/benefits may not have access to payroll records to obtain the Employment IDs, Revenue has developed a facility to request the Employment IDs. The ROS facility 'Lookup Employer Reporting Notification (ERN)' allows the user to upload a file containing the names and PPSNs for which they require Employment IDs. Revenue will then return a response file which will contain the requested Employment IDs. The user would then be able to use those IDs to report expenses/benefits. If the user has all the Employment IDs, they do not have to request an Employer Reporting Notification. They can report as normal.

Q: When using the online form, where do I access the ERN lookup? Is the Employment ID always mandatory?

A: When using the online submission form, the Employer Reporting Notification lookup facility is built into the Employment ID field. Once the PPSN is input, the Employment ID field will have a dropdown menu with all Employment IDs for that employee/employer combination. If there is no Employment ID on file or the employment ID does not appear in the list, the user must fill in an Employment ID. The Employment ID is only mandatory if the user provides a PPSN. If the PPSN is not provided, then the Employer Reference field becomes mandatory to allow the linking process to occur when the PPSN is reported. The Employer Reference must not change and must be reported on every submission until after the PPSN is reported.

Employment ID

Q: Is the Employment ID required for ERR the same as the Payroll Employment ID? Is this ID provided by Revenue?

A: An Employment ID is the unique employment identifier provided by the Employer when submitting payroll. It is not assigned by Revenue. The Employer Reporting Notification ('ERN') lookup facility will provide all Employment IDs associated with that employee PPSN on the Revenue record for that Employer. Any clarification on which Employment ID to use should be queried with the Employer. Revenue will not provide any other employee information.

Q: Will Revenue provide PPSNs if the user does not have it?

A: Due to General Data Protection Regulations Revenue cannot provide PPSNs.

Software & ROS Reporting Mechanisms

Q: Has Revenue engaged with software providers regarding ERR? Can Revenue publish a list of providers that have developed systems to report ERR?

A: Revenue has been engaging with software providers, both payroll and financial since Enhanced Reporting Requirements was announced in Budget 2022. Under GDPR, a list of providers cannot be made available. Employers are advised to check with their software providers directly.

Q: Is ERR reported to Revenue via third-party software only or are there other options?

A: Revenue is providing three different ways to report expenses/benefits:

- a third-party software can be used to interface directly with Revenue
- an expenses/benefits file can be uploaded via ROS
- the expenses/benefits can be manually submitted via ROS

It is up to each Employer to determine which facility works best for them.

Payroll/expense package integration

Q: Can we submit expenses/benefits along with Payroll?

A: The payroll and Enhanced Reporting Requirements interfaces with Revenue are separate. Therefore, expenses/benefits cannot be reported to Revenue in the same submission as payroll. We would encourage you to speak to your payroll provider directly to understand the solution they may be offering for Enhanced Reporting Requirements.

Q: Is there a maximum number of employees that can be submitted via the manual submission form?

A: If the user is using the manual submission facility, one employee can be input at a time. The user can include multiple employees within each submission but will have to input them one at a time. The user can have one submission that will cover all employees. There will be a pre-population function to the manual submission, so that the next time an employer is inputting details for an employee previously reported, they will be able to select that employee from a list.

ROS File Upload & ROS Manual Screens

Q: What are the acceptable file formats for Bulk Upload of ERR submissions? Are there examples of the file formats?

A: The file formats for Bulk Upload are .XML and JSON only. Example files in .XML and JSON can be found on the Revenue Git Hub page. (https://revenue-ie.github.io/paye-employersdocumentation/). These files are not templates, but examples of what a valid file would contain. A

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testing facility for Employers will not be made available. The upload file can contain multiple employees and expenses/benefits.

Q: Can multiple files be uploaded?
A: Each file that is uploaded will be recorded as a separate submission. There is no maximum number of files that can be uploaded in a period.

Q: When do expenses/benefits need to be reported? Can they be reported once a month or does each transaction need to be reported separately?
A: Expense/Benefit payments must be reported on or before they are paid. They must be reported separately from Payroll.

Reporting

Q: Are receipts required when reporting ERR?
A: As normal you are expected to keep robust and comprehensive records in support of non-taxable payments. Receipts will not be required to be reported as part of your ERR submission however you will be required to retain receipts in the event of any Revenue intervention.

Q: Do employees have to be included in payroll in order to have expense/benefits reported for them? Can employees be paid expenses/benefits before their first payroll payment?
A: Employees can be paid expenses/benefits before their first payroll payment from the Employer. Any expenses/benefits that are submitted for an employee that does not have an employment on Revenue records will be held until an employment record is created.

Q: Regarding inbound assignees to Ireland on a shadow payroll, overseas employers may provide certain expenses and it will be extremely difficult for the Irish entity to report non-taxable items 'on or before' reimbursement. For taxable items, Revenue provided a relaxation to make quarterly adjustments for shadow payroll cases to allow for such practical difficulties. Will a similar relaxation be provided for these non-taxable items in ERR?
A: To ensure consistency with current payroll reporting requirements, Revenue will allow a similar practice for the purposes of ERR to that which applies for employers who operate a shadow payroll.

The information in this document is provided as a guide only and is not professional advice, including legal advice.
It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.