CollSoft
Payroll
2015

Year End Procedures

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INTRODUCTION

This guide is intended to help you through the Year End process in CollSoft Payroll 2015.

Before you continue with your Year End in Payroll 2015 we would like to make you aware of the following points;

1) You do **not** need to run your Year End in Payroll 2015 before you can start using Payroll 2016.

   Payroll 2016 is an independent program that you can start using before you are finished in Payroll 2015.

2) You can continue to make changes in Payroll 2015 even after you have run your Year End.

   However, if you do make any changes then you may need to re-run your Year End to reflect your changes.

3) You can follow this Year End interactively in Payroll 2015 by clicking on the *"Year End"* icon on the main home page.

4) CollSoft Payroll now includes a *"Consolidated Company"* feature which enables you to run your P35 based on the data contained in multiple companies. For more information please refer to Appendix III at the end of this document.

Finally, we hope that you find this guide helpful, but if at any time you require any assistance you can contact our help desk at;

Email:	info@collsoft.ie
Web:	www.collsoft.ie
Telephone:	(046) 90 50 800
Fax:	(046) 90 50 975

Revenue also have a FAQ for P35's available on their website at

http://www.revenue.ie/en/business/paye/p35/index.html

STEP 1 - UPDATE PAYROLL 2015

Before you run your Year End it is important to ensure that you are running the latest version of Payroll 2015.

The latest version of Payroll 2015 can be downloaded from our website

www.collsoft.ie

or by selecting the "Check For Updates" option in the "Help" menu in Payroll 2015.

After you have downloaded the update you can install it as follows;

1) Close all applications currently running on your PC ,including Payroll 2015.

2) Double click on the Payroll 2015 Update file that you downloaded.

3) The setup program will ask you if you want to "*Modify*", "*Repair*" or "*Remove*" Payroll 2015 – select the **"*Repair*"** option.

4) The setup program will now install the update onto your computer. At the end of the update process, you may be advised that your computer needs to be restarted. If this is the case, then we recommend that you restart your computer before continuing.

   Press the "***Finish***" button to complete the update.

STEP 2 - MEDICAL INSURANCE PREMIUMS & ILLNESS BENEFIT

The 2015 P35 requires the employer to include details of any medical insurance premiums that have been paid by the employer along with details of how much of that premium qualified for tax relief at source (TRS).

You are required to record the "Gross Premium". This is the amount of premium paid by the employer to the insurance provider plus the amount paid over to Revenue as "Tax Relief at Source" on the corporation tax return (CT1).

From 16 October 2013, Tax Relief for Medical Insurance premiums were restricted to the first €1,000 per adult insured and the first €500 per child insured. You are now required to record the amount of medical insurance premiums that were eligible for tax relief on the P35

The following situations would require reporting on the P35;

1) When the employer provides Medical Insurance (VHI, Quinn/ Bupa, Vivas) as part of the employees remuneration package. (Such benefits are usually subject to BIK).

2) The employer provides medical insurance, but the employee pays the employer an extra premium to augment the policy, or to include a spouse on the policy etc. In this case the employee would reimburse the employer for the cost of the additional cover.

If any of the above scenarios apply to the Employer then please refer to Appendix II on page 23 for details of the changes you must make in Payroll before running your P35.

Employers should note that, with effect from 1 January 2012, all taxable Illness Benefit paid to PAYE Employees by the Department of Social Protection (DSP) is to be included with taxable pay.

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> **Note:** It is very important to ensure that the settings for Medical Insurance Premiums are correct in Payroll 2015 before running your P35. **Please refer to Appendix II for details.**

STEP 3 - FINALISE YOUR 2015 WAGES

Before you start processing your year end in Payroll you should check the following items;

1) All wages for 2015 have been entered, including week 53 if you have a payday that falls on the 31st of December.

   Please Note: You should only process a week 53 if your normal pay day falls on Thursday the 31st December.

2) All employees who are no longer employed by your company have been terminated in Payroll 2015.

3) If any of your employees have company cars, and you have based your BIK calculations on an estimated annual mileage, then you should check that the actual mileage for the year falls into the same bracket as your estimate.

   If the actual mileage for the year is in a different bracket to the estimate, you and your employee may have overpaid/underpaid PAYE and PRSI.

   If you have any BIK queries please refer to the "Revenue BIK Guide" available in the Payroll 2015 "Help" menu.

Note: Unlike other Payroll Systems, CollSoft Payroll does not lock your payroll data after you have run your year end.

You can still enter/amend wages (or any other information) after you have run your Year End. If changes are made you may need to run your Year End again.

Payroll 2015 will continue functioning after the year end so you can always view/edit any of your payroll information.

You do not have to finish your Year End in 2015 before commencing your Payroll in 2016 as Payroll 2016 is a completely separate program.

STEP 4 - REPORTS

You are now ready to produce reports for your Year End. We suggest that you print the following reports;

1) **Tax Deduction Cards** can be printed by pressing the *"Tax Cards"* button on the Payroll 2015 tool bar.

2) **P35L/LT** by selecting the "*Revenue Returns" >* "*P35 Annual Returns" >* *"P35L and P35LT"* menu item.

3) **P35LF** This is a separate section in the P35 that records Pension, PRSA and BIK details.

4) **P30 Summary Sheet**. This contains a summary of your P30's by month. It can be viewed by clicking the *"P30's"* icon on the tool bar.

5) **P30 Detail**. If you have not printed your "P30 Detail Reports" every month, you should print the P30 Detail report for each month from the *"Revenue Returns" > "P30 Monthly Return" > "P30 Details"* menu.

6) **Gross To Net Report**. This report provides a summary of each wage entry for your company. You can view this report by selecting the *"Reports" > "Gross To Net" > "Detail"* menu item. You will need to run this report from 01/01/2015 to 31/12/2015.

> **Note - Duplicate PPS Numbers:**
>
> When you run any of the P35 reports Payroll will check to ensure that there are no employee records that have the same PPS number.
>
> If Payroll finds that there are any records which share a PPS number you will be warned. This may occur if an employee had more than one employment with you during 2015, which is perfectly valid.
>
> You should verify that any duplicate PPSN's are not clerical errors on your employee records, and when you are satisfied that this is the case you should run the P35 reports with duplicate PPSN's merged.

7) **Additions/Deductions.** If you have any additions or deductions set up for your company print a detailed breakdown by selecting the relevant reports from the *"Additions"* or *"Deductions"* sub-menu in the *"Reports"* menu.

8) **Benefit In Kind**. Similarly, if your company has any BIK you should produce a detailed breakdown by selecting the *"Reports"* **>** *"Benefit In Kind"* **>** *"Detailed Listing"* menu item.

9) **Holidays / Time Off**. You can view an individual report of the time taken (holidays, sick days etc.) off by each employee by selecting *"Reports"* **>** *"Employee's Days Off"* **>** *"All Days Off"*

10) **P45's**. You should print a copy of any P45's issued throughout the year.

11) **Financial Year Reports**. If your company's year end does not coincide with the Tax Year, you should print some of the above reports (such as *"Gross To Net"* , *"Additions/Deductions"* and *"Benefit In Kind"*) to correspond with your financial year.

   For example, if the financial year starts on the 1st of July, you should produce a set of reports for the periods 01/01/2015 – 30/06/2015 and, 01/07/2015 – 31/12/2015.

   These reports will be helpful when your accountant is preparing your accounts.

Note: It is important that you keep these reports on file for a minimum of 6 years as they may be required for audit by the Revenue Commissioners.

You can also produce electronic copies of each of these reports by selecting the "Export" menu on the report screen. You can export to many formats including Adobe Acrobat (PDF) or Microsoft Excel.

STEP 5 - RECONCILE YOUR PAYROLL

Now that you have prepared your reports you should perform the following reconciliations before you continue with the Year End;

1) **Tax Deduction Cards vs P35L/LT**

   For each employee, compare the totals from their Tax Deduction Card and USC Deduction Card, to their totals in the P35L/LT – They should match.

   (Please note that the tax deduction card includes previous employments – the Gross Pay & Tax for this employment can be found in the boxes marked J6 and J7. Details carried forward from previous employments will be shown at the top of their tax card in blue text, and clearly marked as "Previous Employments").

2) **Net Pay From P35 vs Net Pay From Gross To Net**

   The latest update of Payroll 2015 includes an additional section in the P35L/LT report with a "P35 Control Summary".

   The purpose of this control summary is to verify that the net pay on the P35 matches the net pay on the Gross To Net report.

   You should verify the following;

   - The *"Pay"* on the control summary equals the total *"Gross Pay"* on the Gross to Net report.

   - The *"Total P35 Gross Pay"* on the control summary matches the total *"Pay (including. BIK)"*

   - Calculate the *"P35 Net Pay"* by subtracting *"PAYE"*, *"PRSI"*, *"USC"*, *"LPT"* and *"BIK"* from the *"Total P35 Gross Pay"*.

     (The reason for subtracting the BIK is that it is included in the Gross Pay, but since it is a "Notional" item it never actually gets paid to the employee directly in their Net Pay)

- To compare the *"P35 Net Pay"* with the *"Net Pay"* on the Gross To Net report you will need to allow for any *"Non Taxable Additions"* and *"Non Allowable Deductions"* (such as expenses or loans etc.)

  Simply add any *"Non Taxable Additions"* and subtract any *"Non Allowable Deductions"* from the *"P35 Net Pay"*. This should match the *"Net Pay"* on the Gross To Net Report.

P35L & P35L/T		2014
Name of Employer: Wine & Dine Gourmet Experience (Sample Company)	Employer's Registration No.:	1234567T

P35 CONTROL SUMMARY

		Notes:
Pay	23,561.17	
+ B.I.K.	46.67	BIK is deducted from the "P35 Net Pay" because BIK is a notional pay item, and therefore not paid to the employee directly.
+ Taxable Additions	55.00	
+ Taxable Illness Benefit	0.00	The "Taxable Disability Benefit" is deducted from the "P35 Net Pay" because it is only used in the tax calculation, and may have been directly paid to the employee by the Department of Social Welfare.
- Allowable Deductions	-333.75	
Total Taxable Payments	**23,329.09**	
- PAYE	-175.95	Any Disability benefit that was first paid to the employer and then paid to the employee through payroll is added back in a later step of the calculation.
- Universal Social Charge	-1,166.06	
- PRSI	-755.46	
- PARKING LEVY	0.00	
- Local Property Tax	0.00	
P35 Net Pay	**21,229.62**	
- B.I.K.	-46.67	
- Taxable Disability Benefit	0.00	
+ Non Taxable Additions	0.00	
- Non Allowable Deductions	-24.00	
+ Disability Benefit Paid By Employer	0.00	
Actual Net Pay	**21,158.95**	

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3) **Cheque Journal**

   Finally, you should verify that the "Actual Net Pay" figure from the Control Summary matches the total net wages in your cheque journal (from your accounting software)

STEP 6 - PREPARING YOUR P35

Once you have satisfied yourself that the figures in Payroll are accurate you can now proceed to complete your P35.

There are currently two methods by which you can file your P35 with Revenue;

1) Paper based P35 return where you complete the P35 return that was sent to you by Revenue manually.

2) Electronic P35 return using the Revenue On-line Service (ROS).

If you are going to file a *Paper Based P35* then please proceed to **Step 7**.

If you are going to file an *Electronic P35 with ROS*, then please skip to **Step 8** to proceed.

Note: If you wish to submit a ROS P35, but you are not already registered as a ROS user then you should register with ROS at www.ros.ie well in advance of the P35 deadline as the registration process can take a number of weeks to complete.

You can also telephone ROS at 1890 201 106

STEP 7 - PREPARING A PAPER BASED P35

To create your Paper Based P35 you need to perform the steps outlined below. We suggest that you read through these steps before you perform them in order to familiarise yourself with what's involved.

1) From the "*Revenue Returns*" menu first select the "*P35 Annual Return*", then click on the "***P35L and P35LT***" item.

2) If there are any problems with your P35 you will be presented with a list of issues that need to be resolved.

    You should print this list and resolve any such problems before you proceed with your Year End.

    If you are required to make any changes to Payroll in order to re-solve any of these issues then you should re-run steps 3 & 4 of the Year End again as some of the data may have been changed.

3) If the only problem(s) that occured was the result of employees with duplicate PPS numbers, then you can produce a *Merged P35* report which automatically merges employee records with the same PPS number(s).

    To do this you should select the "***P35L and P35LT (With Duplicated PPS's Merged)***" option from the "*Revenue Returns*" > "*P35 Annual Return*" menu.

    Note: If you do run a merged P35 then please refer to Appendix I at the back of this booklet as there are some additional checks you should perform.

4) When all issues (if any) are resolved you should then print a hard copy of the report.

5) You now need to produce your *P35LF* by selecting the "*P35LF*" option from the "*Revenue Returns*" > "*P35 Annual Return*" menu, and then print a hard copy.

6) You should now transcribe the details from the reports that you printed onto the P35 form that was sent to you by Revenue.

   Note: You need to take care while transcribing as the order of the employees on the P35 form may not match the order on the printed reports.

7) You should now double check that you have transferred all details correctly. In particular, if you have been recording your P30 payments on the P30 screen in Payroll, ensure that the total payments for the year are correct.

8) After you have transferred all the details onto your P35, you will need to total each page manually.

9) When you are happy that all the details are correct you should sign the P35 declaration form.

Your P35 is now complete, you can now print your P60's by proceeding to Step 10.

Note: Exclusion Order Cases

Employers are required to include employees who were the subject of an exclusion order on the P35.

CollSoft Payroll now includes such employees on the P35.

STEP 8 - PREPARING A ROS P35

In this guide we have split the ROS P35 into two steps, one for preparing the P35 file, and the other for transmitting the file to ROS over the internet.

We suggest that you read through these steps before you perform them in order to familiarise yourself with what's involved.
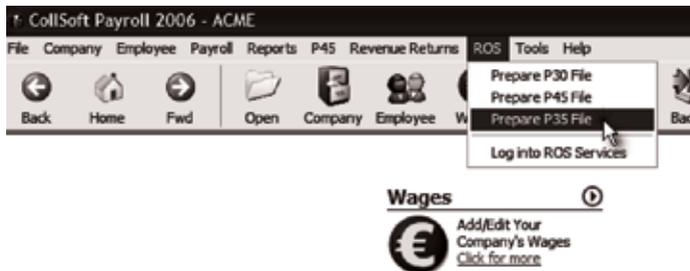
Preparing Your ROS P35 File

1) Before you can begin processing your ROS P35 we recommend that you ensure that the following details have been entered correctly;

> Company Name
> Company Registration Number
> Contact Name & Telephone Number (In case ROS have any queries with your file)

You can verify/change these details by selecting the "***Edit Company ...***" from the "**Company**" menu in Payroll.

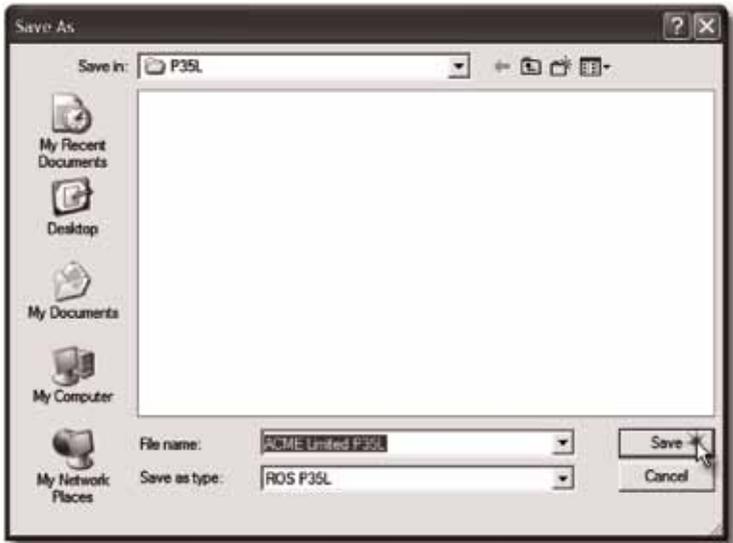2) From the "*ROS*" menu select the "*Prepare P35 File*" as shown below:

(Continues on next page)

You will then be asked to specify the location and name for your
ROS P35 file. Payroll 2015 will provide a default name, and offer to
save the file in the following location:

C:\ROS\p35\\CollSoft P35 Files\Payroll 2015....

(You can choose to save your ROS P35 to a different location if
you like.)

Press the "**Save**" button to continue.

Assuming that no problems occured while processing the P35, then your ROS
P35 file will now be saved in the location that you selected above, and you will
be prompted to view a report of it's contents..

We suggest that you do print a copy of this report and verify that the contents
are correct.

Problems with your P35

If there were any problems with your P35 you will be presented with a list of issues that need to be resolved.

You should print this list and resolve any such problems before you proceed with your Year End.

If you are required to make any changes to Payroll in order to resolve any of these issues then you should re-run steps 3 & 4 of the Year End again as some of the data may have been changed.

Duplicate PPS Numbers

If the only problem(s) that occured was the result of employees with duplicate PPS numbers, then you can produce a *Merged P35* report which automatically merges employee records with the same PPS number(s).

To do this you should select the "***ROS P35 (With Duplicated PPS's Merged)***" option from the "*ROS*" > "*Prepare P35 File*" menu.

Note: If you do run a merged P35 then please refer to Appendix I on Page 22 as there are some additional checks you should perform.

Once you have successfully created your ROS P35 file, and you have checked that the details contained in the file are correct, you can then proceed to upload your file to ROS as outlined in the next step.

STEP 9 - UPLOADING YOUR ROS P35

Now that you have successfully created your ROS P35 file you must log into your ROS service in order to actually file your P35 return.

You can open the ROS login web page by selecting the *Log Into ROS Services* option from the *ROS* menu in Payroll 2015. Alternately, you can open your web browser and open the ROS home page at **www.ros.ie**

You should then log into your ROS account in the usual manner.

When you have logged into your ROS account your web browser will display your *"My Services"* home page.

On this page there is a section called *"Upload File Completed Off-Line"*, this is the process by which you will be able to upload the file you created earlier.

To begin the upload process you should select the *"P35L"* option from the *"Return Type"* drop down list, and then press the *"Go"* button as shown below:
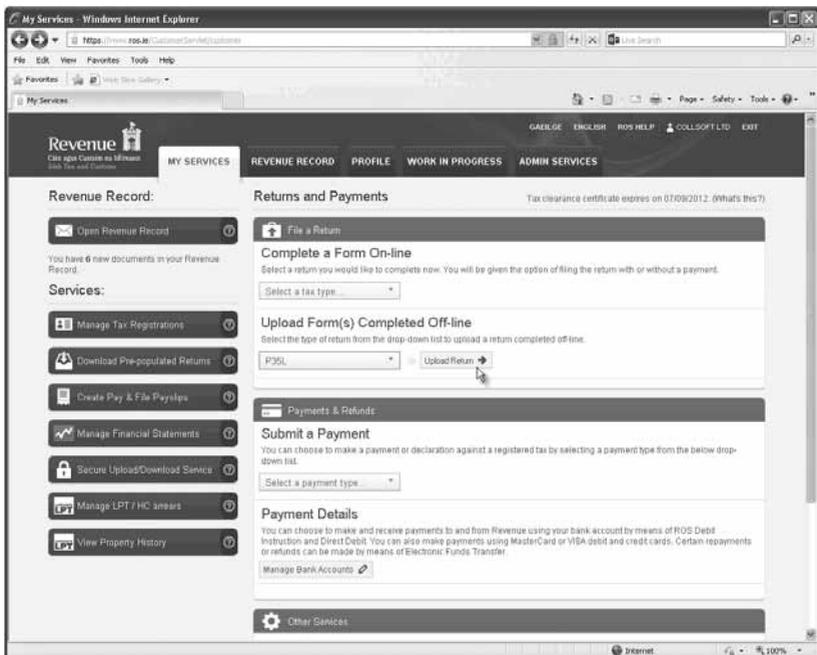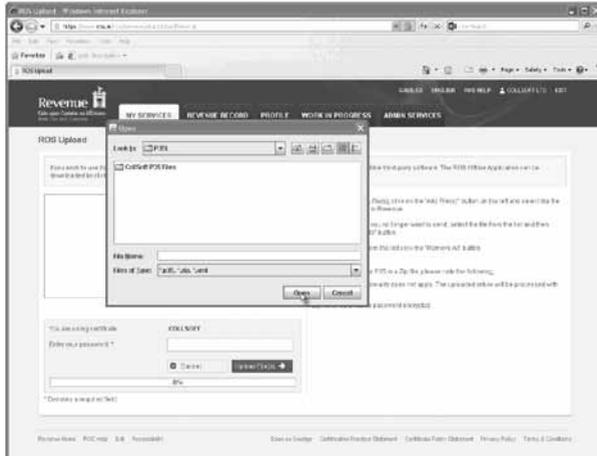
You will now see a screen similar to that shown below. To continue press the *"Add File"* button.
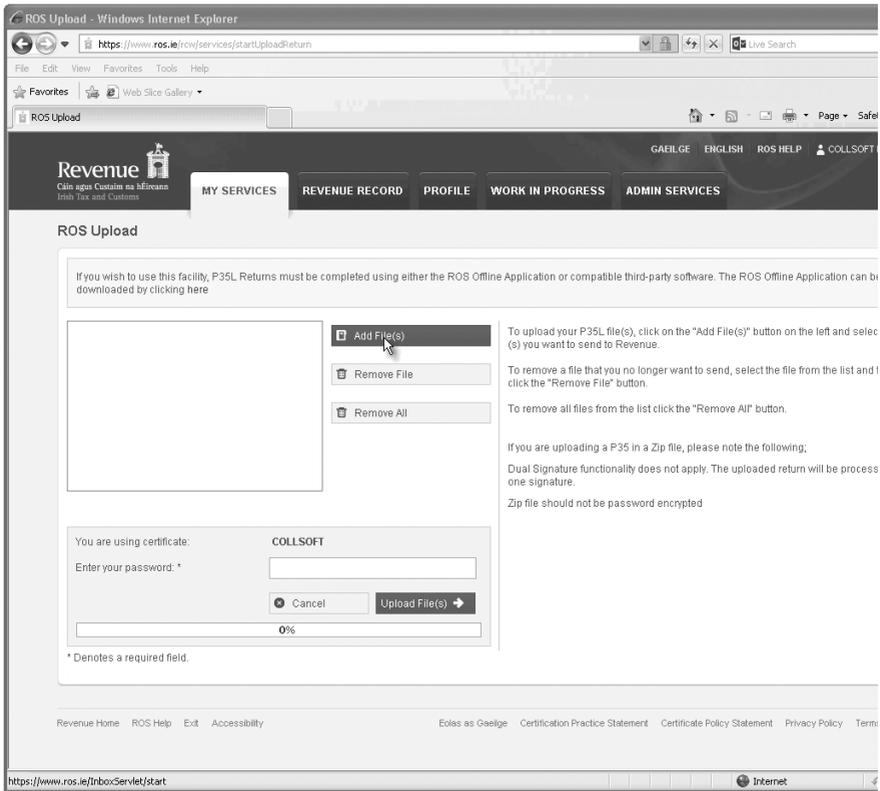
STEP 9 - UPLOADING YOUR ROS P35 (CONTINUED)

ROS will now prompt you to *"Select Files"* from your PC. Initially this screen will show you the contents of the "C:\ROS" folder.

If you previously choose to create your file in the default location then you will see a folder called *"CollSoft"*, double click to enter this folder. Then open the *"Payroll 2015"*, *"Company Name"* and *"P35L"* folders accordingly.
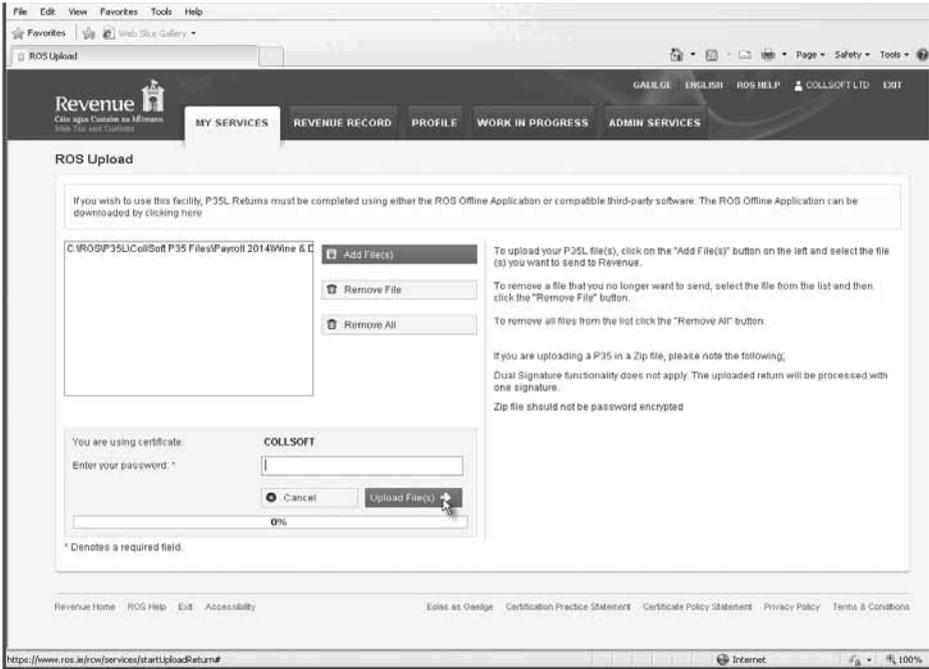
Note: If you chose to save your file to an alternative location then you should browse to that location.
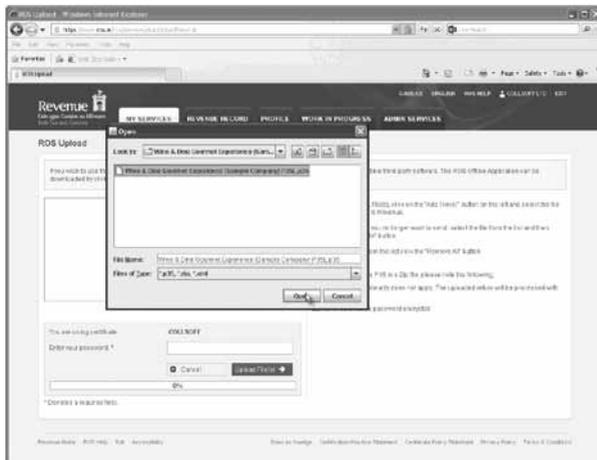
Highlight the relevant P35 file and press the "*Open*" button.

STEP 9 - UPLOADING YOUR ROS P35 (CONTINUED)

Now that you have added your P35L file you should enter your ROS password and press the "Upload" button.

Step 9 - Uploading Your ROS P35 (Continued)

ROS will now validate your P35 file, and assuming that it passes validation it will advise you if there is any PAYE/PRSI due to be paid.

If there is a balance due you will be able to authorise a "Single Direct Debit".

If you do not wish to pay the outstanding balance at this time you can choose the "File Return Only" option, but you should be aware that you may have to pay interest and penalties if your payment is made later than the P35 deadline of 15th February.

To complete the process you must re-enter your ROS password and press the **"Sign And Submit"** button.

You are now ready to print your P60's

Note: Exclusion Order Cases

Employers are required to include employees who were the subject of an exclusion order on the P35.

CollSoft Payroll now includes such employees on the P35.

Note: If ROS are telling you that you have an outstanding liability you should verify that your December P30 has been included in the calculation.

If you are unsure about any liability you should contact ROS directly at any of the numbers listed below:

ROS Helpline:	1890 201 106
From Outside Ireland	+353 1 67 444 21
Email	roshelp@revenue.ie

STEP 10 - PRINTING P60'S

CollSoft Payroll 2015 accomadates both the Plain Paper P60 format as well as the pre-printed P60 stationery that is available from Revenue.

To print P60's from Payroll 2015 please do the following;

1) Select the *"Print P60's"* option from the *"Revenue Returns"* menu

2) You will be warned about checking your printers margins – press the *"OK"* button to continue.

   If you are using the Revenue P60 stationery you may need to adjust these margins to ensure that the data is aligned properly on the page.

   Select the type of P60 that you would like to print by selecting the relevant stationery. By default CollSoft will use the new *"Plain Paper"* stationery.

   You can then select to print to *"Screen"*, *"Printer"* or *"Email"*.

   When you are satisfied with the alignment you can print all of your P60's in one go.

The Plain Paper P60 can also be sent directly to your employees by email by selecting to print to email on this screen.

Your Year End Is Now Complete!

You have now completed all of the steps for your Year End in CollSoft Payroll 2015.

We hope that you have found this guide helpful, but if you require any additional assistance you can contact our support desk at

Email:	info@collsoft.ie
Web:	www.collsoft.ie
Telephone:	(046) 90 50 800
Fax:	(046) 90 50 975

You may also find the following contact details useful;

P35 Helpline: 1890 25 45 65
p35helpline@revenue.ie

ROS Helpline: 1890 201 106
From Outside Ireland +353 1 67 444 21
Email roshelp@revenue.ie

Revenue P35 FAQ
http://www.revenue.ie/en/business/paye/p35/index.html

Revenue Illness Benefit FAQ
http://www.revenue.ie/en/business/paye/guide/
illness-benefit.html

APPENDIX I - DEALING WITH DUPLICATE PPS NUMBERS

When preparing a P35 CollSoft Payroll validates a number of rules to catch any errors that may exist in your data. One of the rules ensures that there are no duplicate PPS numbers in your data.

Such duplicates can arise for a number of reasons, but the most common occurs when an employee leaves your employment at some point in the year, and then recommences employment later in the same tax year.

By default when you run the standard P35 (either by paper or ROS), CollSoft Payroll will alert you to any duplicate PPS numbers which exist in your data.

You can then choose to run another P35 which merges the duplicated PPS's into a single P35 entry. If you choose to run such a merged P35 then you should check the following before you actually make a return;

1) Verify that each of the employee records for a duplicated PPS number actually relates to the same employee.

   If you have entered the same PPS number for two different employees accidentally, then the Merged P35 will be incorrect as it will just contain one P35 entry for the total amounts of the individual.

   CollSoft Payroll has no way to determine if the records with duplicated PPS numbers are actually the same employee, so you should verify that all duplicates are indeed the same person yourself.

2) If you have multiple employee records for the same employee then you should ensure that you entered the details from their P45 correctly.

   It is important to ensure that the Previous Pay & Tax were entered into the "*Previous Employment*" section on the "*Employee Details*" Screen, and not as "*Starting YTD Figures*".

   If you have entered these details as "Starting YTD Details" then this will cause the P35 entry to be overstated.

APPENDIX II - MEDICAL INSURANCE PREMIUMS

If an employer makes any payments in relation to Medical Insurance on behalf of their employees then they are obliged to report it on the P35.

1. Medical Insurance as a Benefit from the Employer and processed as a BIK through Payroll.

If the employer included Medical Insurance to any of their employees as part of their remuneration, and it was identified in Payroll as a Benefit In Kind, then the user can mark the relevant BIK field(s) as a "Medical Insurance Premium" as follows;

1) From the *"Company"* menu select the *"Edit Company"* option.
2) On the *"Company Details"* screen click into the *"BIK"* tab.
3) Tick the *"Medical Insurance Premium"* option for any relevant BIK element.

2. All Other Medical Insurance Contributions not processed through Payroll

In cases where the employer paid for medical insurance that was not processed as part of Payroll, you must manually enter the relevant amount on the employees employment record as follows;

1) Click on the *"Employees"* icon on the *"Main Home Page"* in Payroll.
2) Click on the name of the relevant employee to Open the *"Employee Details"*.
3) Click into the *"BIK"* tab and enter the total gross amount of medical premiums paid by the employer into the "*Additional Medical Insurance Premiums*" field.

You should use this field to include any medical premiums which were not processed through Payroll as a BIK.

Remember to record the *Gross Premium* which is the amount of premium paid by the employer to the insurance provider plus the amount paid over to Revenue i.e. tax relief at source.

(Continues on next page)

Completing Your P35

You will be able to complete your P35 after you have correctly identified the correct medical insurance elements in the previous 2 sections.

The value transferred to the P35 will be the sum of both elements i.e.

P35 Medical Premiums = BIK + Additional Medical Insurance

Also from 2015 Tax Relief for Medical Insurance premiums were restricted to the first €1,000 per adult insured and the first €500 per child insured.

You are now required to record the amount of medical insurance premiums that were eligible for tax relief on the P35.

Please review your P35 to verify that the information is correct before submitting it to Revenue.

If you are filing with ROS, then this information will automatically be included in your return.

Appendix III - Consolidated Companies

CollSoft Payroll 2015 now includes a consolidated companies feature that enables you to run reports (such as P35's etc) across multiple subsidiary companies in Payroll.

This would be useful in the following scenarios;

1) Different users ran different payrolls for separate departments within a single company.

2) Payroll was installed on different PC's, each of which ran a portion of a company's payroll.

3) Directors and Employees payroll was run in different companies for security purposes.

If you have run your payroll in such a manner and you are now required to produce a P35 based on the merged data from multiple companies then you will be able to achieve this using the Consolidated Companies feature in Payroll.

For more information on using the Consolidated Companies feature please refer to the *"Payroll Help"* file available in the *"Help"* menu in CollSoft Payroll.

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