



## December 2018 eNews

### EMPLOYEE VOUCHERS

It's getting to that time of the year again and workers and directors alike are in line to benefit from the trend this Christmas for employers to thank staff and directors with tax-free vouchers (gift/shopping vouchers) of up to €500.



But if you are an owner/director of your own business, and your spouse is also an employee/director, then you can double that benefit to €1,000.

From the point of view of business owners, the scheme has some great advantages, including:

- It's a tax-efficient way of rewarding your staff;
- As the benefit is only tax-free for one single payment, it's ideal as a Christmas bonus, and
- There's a double benefit for owner / managers who are directors / employees of their business and whose spouse is also a director/employee – they could benefit from up to €1,000 in tax-free vouchers

### WATCH THE YEAR END!

Readers will be aware of the strict 4 year time limit available to claim back tax from Revenue whether it relates to an old Income Tax refund based on amended accounts or a claim for tax relief on medical expenses. In simple terms, any claim for 2014 must be made by 31 December 2018.

### PAYE MODERNISATION

The new PAYE Modernisation regulations will come into operation on 1 January 2019 and are in light of the roll out of PAYE Modernisation.

The current Income Tax Regulations will continue to apply to any payment of emoluments made on or before 31 December 2018.

#### What will it involve?

PAYE Modernisation will involve an "Employer Submission" to Revenue each time an employee is paid. The Employer Submission will contain information similar to that which currently appears on an employer's P35 return.

The main change affecting employers is the real time reporting to Revenue - a submission will need to be made each payroll run. In most cases, this means a file will be submitted either weekly or monthly, depending on the timing of payments.

**The way you report your employees' pay and deductions to Revenue is changing.**



#### Will it create additional work?

Yes. It is envisaged that the workload and reporting obligations for smaller employers, especially those currently availing of the direct debit payment option will increase.

Currently employers may be making one submission to Revenue each year (i.e. an annual P35 return), however under PAYE Modernisation, these employers will have to make an Employer Submission for each payment to an employee or director.



Where you currently pay staff weekly, we recommend you agree with your employees to change it to monthly, thereby reducing the filing interactions with Revenue from 52 to 12 filings per annum, and thereby reducing the payroll work and cost to you.

John McElhinney & Co. can assist you in completing the above requirements. We have updated our payroll software to be fully compliant, so it will seamlessly integrate with Revenue's system.

We strongly advise that you contact your payroll provider, software provider or ourselves where you have any queries regarding the operation of the new system as it goes live from 01 January 2019.

## SAVE TIME AND MONEY WITH OUR COMPLETE PAYROLL SERVICE

In today's competitive business world, it is important to make the most effective use of time. Outsourcing routine tasks, such as payroll, means you have more time to focus on your business.

If you're doing your payroll in-house, it can be both time-consuming and complicated. Keeping up with PAYE Modernisation, legislation and tax changes can be an added headache.



We have therefore established a dedicated payroll department, headed up by Mary McElhinney FIAT1, who has over 40 years' experience. We have well-trained staff and we use the very latest computer software.

Please let us know if this would be of interest to you, our team would be delighted to assist you.

## TAXATION PAY & FILE SUMMARY



<b>PAYE</b> P30 for November 2018	<b>14 December 2018</b>
<b>VAT</b> Bi-Monthly and 4 monthly ending in December, return and payment	<b>19 January 2019</b>
<b>Relevant Payments Tax</b> Monthly return and payment	<b>23 December 2018</b>
<b>Corporation Tax</b> Filing date for Corporation Tax returns for accounting periods ending in 31 March 2018	<b>21 December 2018</b>
Payment of Corporation Tax balance for accounting periods ending in 31 March 2018	<b>21 December 2018</b>
Preliminary Tax for accounting periods ending in 31 January 2019	<b>21 December 2018</b>
Form 46G for accounting periods ending in 31 March 2018	<b>31 December 2018</b>
<b>Capital Gains Tax</b> Preliminary Tax for disposals made in 1 January to 30 November 2018	<b>15 December 2018</b>

**Note:** *Extended date for certain taxes for customers who both file and pay electronically (via ROS)*

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Don't hesitate to contact me or a member of our team if you would like to discuss any of the issues raised or on any of our services.



*Johnny*

John J. McElhinney | Partner

*This newswire intended to provide a general guide to the subject matter and is necessarily prepared in a condensed form. In view of its purpose the reader will appreciate that we are unable to accept liability for any errors or omissions which may arise. Advice should be sought before acting on the information contained in it.*