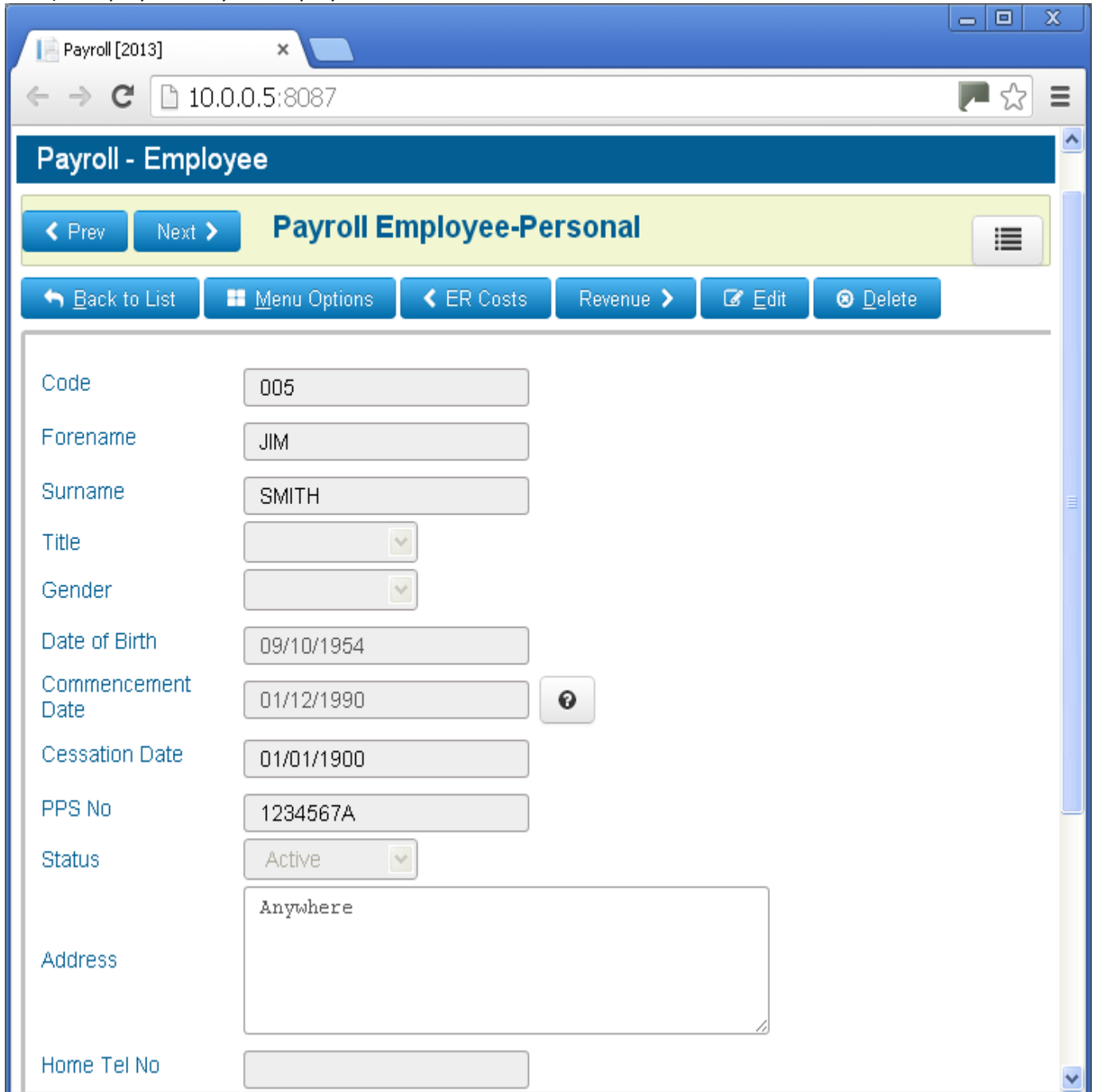


There is some confusion with P45s and Previous Employment – I’m documenting here the implications of both. It’s important for sites where they have employees working for them, they are then given a P45 and come back during the payroll year.

1) Employee is in your employment – status is active.



Payroll [2013] x

10.0.0.5:8087

Payroll - Employee

< Prev Next > **Payroll Employee-Personal**

Back to List Menu Options < ER Costs Revenue > Edit Delete

Code 005

Forename JIM

Surname SMITH

Title

Gender

Date of Birth 09/10/1954

Commencement Date 01/12/1990 ?

Cessation Date 01/01/1900

PPS No 1234567A

Status Active

Address Anywhere

Home Tel No

2. Go to the Pay History in the Employee file for this employee – and look at the field “P45 Ref” – it is blank for all periods. So you know there is no active P45 completed for this employee (you could have

created a P45 but deleted it – the creation of the P45 and the deletion will be recorded so you can see what has happened to the employee).

| Period | Period No | No. Periods | Pay | Notional Pay | Deductions | EE Taxes | Net Pay | ER Costs | ER Taxes | P45-Ref | Info |
|----------|-----------|-------------|----------|--------------|------------|----------|----------|----------|----------|---------|------|
| Summary: | | | 23267.16 | 0.00 | 1233.67 | 2646.83 | 19386.66 | 0.00 | 2501.26 | | |
| WEEKLY | 1 | 1 | 710.60 | 0.00 | 31.95 | 105.91 | 572.74 | 0.00 | 76.39 | | Info |
| WEEKLY | 2 | 1 | 1150.78 | 0.00 | 31.95 | 290.09 | 828.74 | 0.00 | 123.71 | | Info |
| WEEKLY | 3 | 1 | 461.18 | 0.00 | 31.95 | -19.12 | 448.35 | 0.00 | 49.58 | | Info |
| WEEKLY | 4 | 1 | 472.10 | 0.00 | 31.95 | 31.98 | 408.17 | 0.00 | 50.75 | | Info |
| WEEKLY | 5 | 1 | 461.18 | 0.00 | 31.95 | 28.60 | 400.63 | 0.00 | 49.58 | | Info |
| WEEKLY | 6 | 1 | 574.10 | 0.00 | 31.95 | 63.60 | 478.55 | 0.00 | 61.72 | | Info |

3. Now go to issue a P45 for this employee. Then go back to the employee file and you will see that the employee is marked “Inactive”. I have added a label beside the “Status” field – to show you that a P45 has been issued.

Payroll [2013] x

10.0.0.5:8087

Payroll - Employee

< Prev Next > **Payroll Employee-Personal**

Back to List Menu Options < ER Costs Revenue > Reinstate

| | |
|-------------------|----------------------------------|
| Code | 005 |
| Forename | JIM |
| Surname | SMITH |
| Title | |
| Gender | |
| Date of Birth | 09/10/1954 |
| Commencement Date | 01/12/1990 |
| Cessation Date | 01/11/2013 |
| PPS No | 1234567A |
| Status | Inactive P45 Issued - 2013/11/01 |
| Address | Anywhere |
| Home Tel No | |

4. Now go to your Pay History and you will see that all these transactions have the P45-Ref set to the P45 reference (when it was issued).

Payroll [2013] x

10.0.0.5:8087

Employee-Pay History 005 // JIM SMITH

Back to List Menu Options

Menu Summary Totals

Record Count: 37

| Period | Period No | No. Periods | Pay | Notional Pay | Deductions | EE Taxes | Net Pay | ER Costs | ER Taxes | P45-Ref | I |
|----------|-----------|-------------|----------|--------------|------------|----------|----------|----------|----------|-------------------------|---|
| Summary: | | | 23267.16 | 0.00 | 1233.67 | 2646.83 | 19386.66 | 0.00 | 2501.26 | | |
| WEEKLY | 1 | 1 | 710.60 | 0.00 | 31.95 | 105.91 | 572.74 | 0.00 | 76.39 | P45 Issued - 2013/11/01 | |
| WEEKLY | 2 | 1 | 1150.78 | 0.00 | 31.95 | 290.09 | 828.74 | 0.00 | 123.71 | P45 Issued - 2013/11/01 | |
| WEEKLY | 3 | 1 | 461.18 | 0.00 | 31.95 | -19.12 | 448.35 | 0.00 | 49.58 | P45 Issued - 2013/11/01 | |
| WEEKLY | 4 | 1 | 472.10 | 0.00 | 31.95 | 31.98 | 408.17 | 0.00 | 50.75 | P45 Issued - 2013/11/01 | |
| WEEKLY | 5 | 1 | 461.18 | 0.00 | 31.95 | 28.60 | 400.63 | 0.00 | 49.58 | P45 Issued - 2013/11/01 | |
| WEEKLY | 6 | 1 | 574.10 | 0.00 | 31.95 | 63.60 | 478.55 | 0.00 | 61.72 | P45 Issued - 2013/11/01 | |

5. Now let's say the user forgot to download the P45 to upload to ROS or the P45 was issued by mistake – what has been happening is that you are coming into the employee file and “Re-Instating” them. This is wrong. You need to go the P45 option and delete the last P45 and re-issue again if needed. Note: transactions marked with a P45 reference – will not be used in Tax Calculations. The system will expect a previous employment record to be there – either from an import of the P2C or from entering details from a P45 from another employer.

6. Use the “Re-Instate” option only if an employee is returning to you after having received a P45. When you click on “Re-Instate” – the system marks the employee active again but it also takes any transactions marked with a P45 reference and creates a Previous Employment record. Usually the employee will return to you but not give you a P45 immediately or you won’t have received a P2C from the Revenue. When a employee returns to you and you have not received a P2C from the revenue – you should mark the system of taxation for PAYE and USC as non-cumulative. Do not refund PAYE or USC until you have received a P2C from the revenue.
After the re-instate – you will still see that there has been a P45 done for the employee.

The screenshot shows a web browser window titled "Payroll [2013]" with the address bar displaying "10.0.0.5:8087". The page has a blue header bar with the text "Payroll - Employee". Below the header is a yellow bar with navigation links: "< Prev", "Next >", and "Payroll Employee-Personal". A toolbar contains buttons for "Back to List", "Menu Options", "ER Costs", "Revenue >", "Edit", and "Delete". The main form area contains the following fields:

| | |
|-------------------|------------|
| Code | 005 |
| Forename | JIM |
| Surname | SMITH |
| Title | |
| Gender | |
| Date of Birth | 09/10/1954 |
| Commencement Date | 01/12/1990 |
| Cessation Date | 01/01/1900 |
| PPS No | 1234567A |
| Status | Active |
| Address | Anywhere |
| Home Tel No | |

Additional text next to the Status field reads "P45 Issued - 2013/11/01".

Go into "Previous Employment" for the employee and you will see a record added by re-instating the employee. Click on Info.

The screenshot displays a web application window titled "Payroll [2013]". The address bar shows "10.0.0.5:8087". The main header is "Payroll - Employee". Below this, there are navigation buttons: "< Prev", "Next >", "Back to List", "Menu Options", "< Pay Met", "Nom Conf >", and "+ New". The main content area shows a table with one record. The table has columns: "Date Cessation", "Employer", "Employer's Reg No", "Last Pay Period", "Last Period No", and "Info". The record shows "Date Cessation" as "01/01/1900", "Employer" as "Employee Reinstated", "Employer's Reg No" as empty, "Last Pay Period" as "Unknown", and "Last Period No" as "0". An "Info" button is next to the record. Below the table, there are pagination controls: "Page Size: 10", navigation buttons, and "Page: 1 of 1".

| Date Cessation | Employer | Employer's Reg No | Last Pay Period | Last Period No | Info |
|----------------|---------------------|-------------------|-----------------|----------------|----------------------|
| 01/01/1900 | Employee Reinstated | | Unknown | 0 | Info |

And you will see that the system has added in the details from any existing transactions that were on the last P45.

Payroll [2013] x

10.0.0.5:8087

Payroll - Employee

Employee-Previous Employment: 005 // JIM SMITH

[Back](#)
[Edit](#)
[Delete](#)
[P45\(P3\) For ROS](#)

Date Cessation: 01/01/1900
 Last Employer: Employee Reinstated
 Last Employer's Registration Number:
 Last Pay Period:
 Last Period No: 0
 Last User: SPROFILE
 Last Updated: 12/12/2013 15:27:47

| EE/ER | Tax Type | Pay | Tax | Info |
|-------|----------|----------|---------|----------------------|
| EE | LPT | 0.00 | 0.00 | Info |
| EE | PAYE | 22185.49 | 611.50 | Info |
| EE | PRSI | 23267.16 | 930.63 | Info |
| EE | USC | 23267.16 | 1104.70 | Info |
| ER | PRSI | 23267.16 | 2501.26 | Info |

When you get in a P45 from the employee or receive a P2C from Revenue – these will supersede these figures. This record is added in just in case you don't change the system of taxation to "Non-Cumulative" so it will have previous employment details. Even though the employee worked with you earlier in the year, it is still considered "Previous Employment".

7. If you are looking at an employee's calculations for any of the taxes and can't figure out where the year to date reckonable earnings are coming from – go in to the employee file and pay history. Click on the drop down list and select "EE Tax Details" or "ER Tax Details" and click on the tax you are looking at.

It defaults to show you all periods for the year that the employee has worked for you. But some of these periods could be marked as having been in a P45 and these transactions will not be used in your tax calculations. Click on the box “Show Transactions Used In Calculations” (only added in today) – and you will see any previous employment details used – it will use the last dated previous employment record. It will also show you any periods not marked as having been in a P45.

Payroll [2013]
10.0.0.5:8087

Payroll - Employee

< Prev
Next >
Employee-Pay History 005 // JIM SMITH

Back to List
Menu Options

Menu
EE Tax Details

Tax Types
PAYE

Show Transactions Used In Current Tax Calculations
☒

Record Count: 1
Filter

| Period | Period No | System Tax | Reckonable Earnings | Tax Paid | Tax Calculated | Tax Credit - Week | Tax Credit - Month | Tax Credit - Annual | Last User | Last Update |
|---------------------|-----------|------------|---------------------|----------|----------------|-------------------|--------------------|---------------------|-----------|---------------------|
| Summary: | | | 22185.49 | 611.50 | 0.00 | | | | | |
| Previous Employment | 0 | | 22185.49 | 611.50 | 0.00 | 0.00 | 0.00 | 0.00 | SPROFILE | 12/12/2013 15:27:47 |

Page Size: 10
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