

Quickpay

Redundancy Payments

The Redundancy Payments Acts 1967-2007, provide a minimum entitlement to a redundancy payment for employees who have a set period of service with the employer. Not all employees are entitled to the statutory redundancy payment, even where a redundancy situation exists.

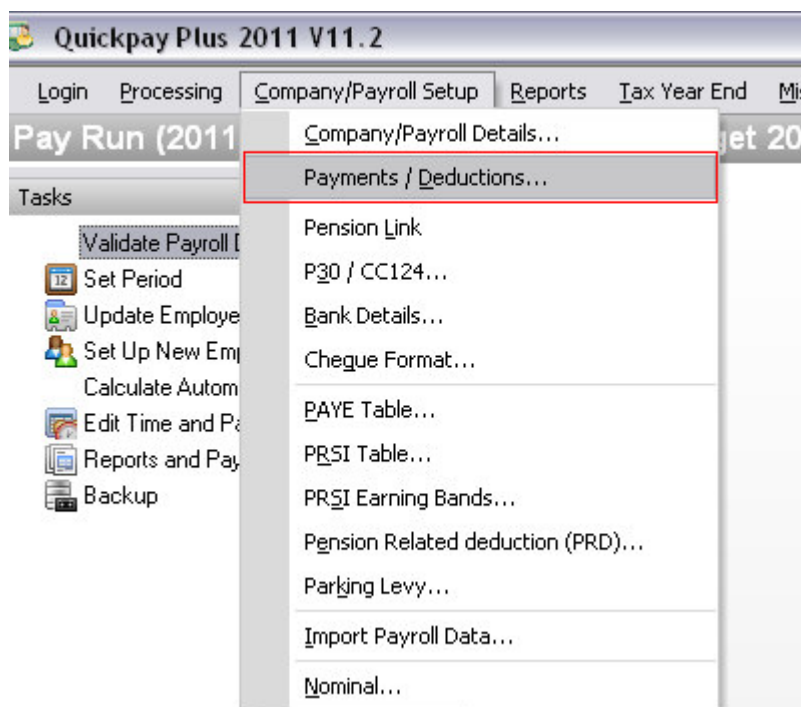
There are specific redundancy procedures which employers and employees must follow in order to comply with the legislation.

You must contact Revenue to confirm if a payment is taxable, and the Dept. of Social and Protection to confirm the PRSI code.

This document will bring you through setting up a taxable Redundancy payment, a non-taxable Redundancy payment and how to process if payments are to be processed at different PRSI codes.

Set up a non-taxable Redundancy in Quickpay

Select **Company/Payroll Setup-Payments & Deductions**



In the Allowances Box, on the next free line please enter the name Redundancy and then select **Edit**.

Allowances							
Name	Tax	USC	Pens'able	Holida	Redun	Type	Details
Salary	Y	Y				Regular pay	Edit...
Redund							Edit...

You will then need to select **Redundancy**

Allowance Name: Redund

Payment Type

- Standard Payment
- Redundancy
- Illness Benefit
Employee gives the illness Benefit Cheque to their Employer
- Benefit in Kind (BIK)
 Pay as Nett
BIK Type

CSD Statistical Reporting

Type

Hours Multiplier: 1.00

Tax and PRSI

- Apply both Tax and PRSI
- No Tax. No PRSI
- Apply Tax but not PRSI

USC

- Apply USC
- No USC

Pension Calculation

- Yes, amount is pensionable
- Not pensionable

Pensions - Public Service PRD (Pension Related Deduction)

- Yes, amount is subject to PRD
- Not subject to PRD

Holiday

- Multiply by the number of Holiday periods
- Do not multiply by the number of Holiday Periods

OK

Cancel

[Tell me more...](#)

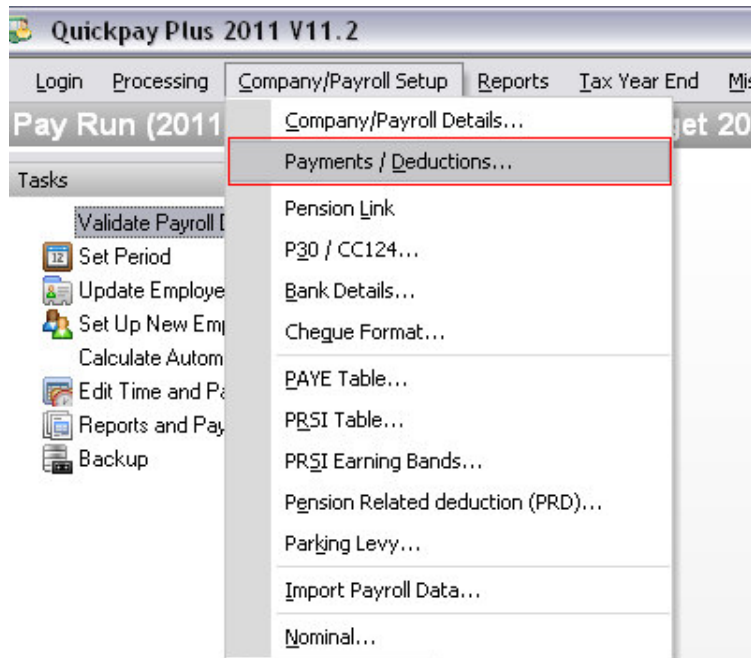
- And also select No Tax. No PRSI.
- If USC is not to be deducted then select No USC.

You can then decide if this payment should be used in the calculation of the pension amount.

Quickpay

Setting up a Taxable Redundancy Payment in Quickpay.

Select **Company/Payroll Setup-Payments & Deductions**.



In the Allowances box, on the next free line please enter the name **Redundancy** and then select **Edit**.

Allowances							
Name	Tax	USC	Pens'able	Holida	Redun	Type	Details
Salary	Y	Y				Regular pay	Edit...
Redund							Edit...

Then select **Redundancy**

Quickpay

Allowance Name

Payment Type

Standard Payment

Redundancy

Illness Benefit

Benefit in Kind (BIK)

Pay as Nett

BIK Type

CSO Statistical Reporting

Type

Hours Multiplier

Tax and PRSI

Apply both Tax and PRSI

No Tax, No PRSI

Apply Tax but not PRSI

USC

Apply USC

No USC

Pension Calculation

Yes, amount is pensionable

Not pensionable

Pensions - Public Service PRD (Pension Related Deduction)

Yes, amount is subject to PRD

Not subject to PRD

Holiday

Multiply by the number of Holiday periods

Do not multiply by the number of Holiday Periods

OK

Cancel

[Tell me more...](#)

- Select Apply both Tax and PRSI.
- If USC is to be deducted then select Apply USC.
- You can then decide if this payment should be used in the calculation of the pension amount.

- Click Ok.

How to process Redundancy payments with different PRSI codes

If an employee is to receive their Redundancy payment with part of it subject to a different PRSI Code, you will need to process this in the next period.