### **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

👌 Quickpay Plus 2	2011 V11.2
<ul> <li>Quickpay Plus 2</li> <li>Login Processing</li> <li>Pay Run (2011)</li> <li>Tasks</li> <li>Validate Payroll I</li> <li>Set Period</li> <li>Update Employe</li> <li>Set Up New Employe</li> <li>Set Up New Employe</li> <li>Set Up New Employe</li> <li>Edit Time and Payroll Edit Time and Payroll</li> <li>Reports and Payroll</li> <li>Backup</li> </ul>	2011 V11.2         Company/Payroll Setup       Reports       Tax Year End       Mis         Company/Payroll Details       Int 20         Payments / Deductions       Int 20         Pension Link       P30 / CC124         Bank Details       Chegue Format         PAYE Table       PAYE Table         PRSI Table       PRSI Table         Pgnsion Related deduction (PRD)       Int 20
	Parking Levy Import Payroll Data Nominal

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	Туре	Details
Salary	Y	Y				Regular pay	Edit
Redund							Edit



You will then need to select Redundancy

owance Settings	
Allowance Name Redund	
Payment Type	
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Final succession and the illusion Republic Changes to their Employer	
Benerit in Kind (BIK)     Par as Nett	
ыктурет	
CSO Statistical Reporting	
Type	
Hours Multiplier 1.00	
Tax and PRSI	
C Apply both Tax and PBSI	
No Tax. No PRSI	
C Apply Tax but not PRSI	
USC	
C Apply USC	
No USC	
Pension Calculation	
C Yes, amount is pensionable	
Not pensionable	
Pensions - Public Service PRD (Pension Related Deduction)	
C Yes, amount is subject to PRD	
C Not subject to PRD	
_ Holiday	
C Multiply by the number of Holiday periods	ОК
C Do not multiply by the number of Heliday Periods	Cancel

- 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.



#### Setting up a Taxable Redundancy Payment in Quickpay.

Select Company/Payroll Setup-Payments & Deductions.

🐉 Quickpay Plus 2011 V11.2							
Login Processing	Company/Payroll Setup Reports Tax Year I	End <u>M</u> is					
Pay Run (2011	⊆ompany/Payroll Details	et 20					
Tasks	Payments / <u>D</u> eductions						
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1 Set Period	P <u>3</u> 0 / CC124						
🧓 Update Employe	<u>B</u> ank Details						
As Set Up New Emp	Chegue Format						
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Eak rime and Pay	P <u>R</u> SI Table						
🔚 Backup	PRSI Earning Bands						
	Pension Related deduction (PRD)						
	Parking Levy						
	Import Payroll Data						
	Nominal						

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

Allowances						
Tax	USC	Pens'able	Holida	Redun	Туре	Details
Y	Y				Regular pay	Edit
						Edit
I	'ax Y	Y Y	Y Y Y	'ax     USC     Pens'able     Holida       Y     Y	Yax USC Pens'able Holida Redun Y Y Y	Yax     USC     Pens'able     Holida     Redun     Type       Y     Y     Regular pay

Then select Redundancy



owance Settings	
Allowance Name Redund	
Payment Type	1
C Standard Payment	
Redundancy	
C Illness Benefit	
Employee gives the illness Benefit Cheque to their Employer	
C Benefit in Kind (BIK)	
🗖 Pay as Nett	
ВІК Туре	
CSO Statistical Reporting	]
Туре	
Hours Multiplier 1.00	
Tax and PRSI	
Apply both Tax and PRSI	
C No Tax. No PRSI	
C Apply Tax but not PRSI	
USC	1
Apply USC	
C No USC	
Pension Calculation	1
Yes, amount is pensionable	
Not pensionable	
Pensions - Public Service PRD (Pension Related Deduction)	1
Yes, amount is subject to PRD	
Not subject to PRD	
Holiday	
Multiply by the number of Holiday periods	OK
C. De autor Michaels ha the same has a Charling a Deviced.	Cancel

- 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.

