

Micropay Professional

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 family affairs** to confirm the **PRSI** code.

Contact Info and links:

[Revenue - Irish Tax & Customs](#)

Telephone: 1890 333 425

<http://www.welfare.ie/EN/Publications/SW3/Pages/16Lumpsumpaymentswhenemploymentends.aspx>

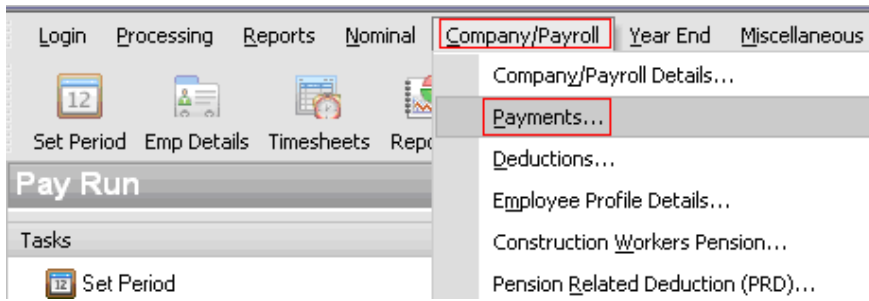
Telephone: 1890 66 22 44

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.

To Set Up a Non Taxable Redundancy Payment in Micropay Professional

1. Select **Company/Payroll / Payments**.

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2. Enter the title **Redundancy** on the next free line.
- 3.

ID	Title	Type	Rate	Factor	Taxable	PRStable	Inc.Levy	Pens.	PRD	Hol'able	Average
25	Redundancy				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Select Type as **Redundancy**

ID	Title	Type	Rate	Factor	Taxable	PRStable	Inc.Levy	Pens.	PRD	Hol'able	Average
25	Redundancy	Redunda			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26		Units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27		Disability			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28		Paid Disa			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29		Nett BIK			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30		Gross BIK			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Redunda			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Click **OK**

ID	Title	Type	Rate	Factor	Taxable	PRStable	Inc.Levy	Pens.	PRD	Hol'able	Average	Hol'acc	Formula	BIK Type	CSO Type
25	Redundancy	Redunda			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
26					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
27					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
28					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
29					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
30					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
31					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
32					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
33					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
34					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

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- If you are advised that the health levy must be deducted please select PRSlable. You will need to confirm this with the Dept of Social and Family Affairs.

ID	Title	Type	Rate	Factor	Taxable	PRSlable	Inc.Levy	Pens.	PRD	Hol'able	Average
25	Redundancy	Redunda			<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

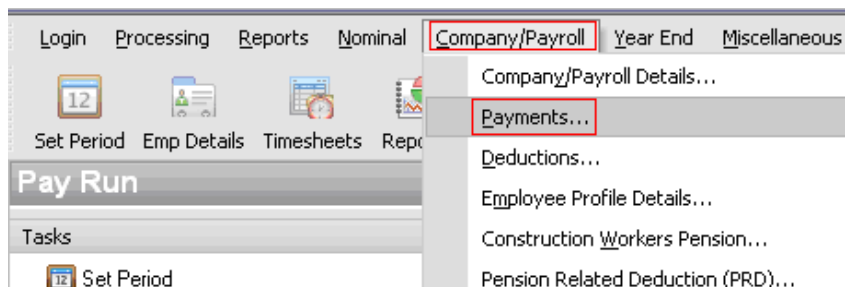
- You will then enter this on the timesheet.

Pay Element	Hrs/Val	Rate	Amount	Deduction	Value
salary	0.00	0.0000	0.00		
Redundancy	6000.00	0.0000	0.00		

- If this payment is liable to the Health Levy or PRSI you will need to contact the social welfare to confirm what PRSI code the payment should be processed on.

Setting up a Taxable Redundancy Payment in Micropay Professional

1. Go to **Company/Payroll / Payments**.



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2. Enter the title **Redund Tax** on the next free line

ID	Title	Type	Rate	Factor	Taxable	PRSIable	Inc.Levy	Pens.	PRD	Hol'able	Average
9	Redundancy	Redunda	0	0.0000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Redund Tax	Redunda			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Select type as **Redundancy**.

4. And tick **Taxable** and **PRSIable**.

ID	Title	Type	Rate	Factor	Taxable	PRSIable	Inc.Levy	Pens.	PRD	Hol'able	Average
9	Redundancy	Redunda	0	0.0000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Redund Tax	Redunda			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. And click **OK**.

ID	Title	Type	Rate	Factor	Taxable	PRSIable	Inc.Levy	Pens.	PRD	Hol'able	Average	Hof'acc	Formula	BIK Type	CSO Type
9	Redundancy	Redunda	0	0.0000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
10	Redund Tax	Redunda	0	0.0000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

6. You can then enter the payment on the timesheet.

Pay Element	Hrs/Val	Rate	Amount	Deduction	Value
salary	0.00	0.0000	0.00		
Redundancy	6000.00	0.0000	0.00		
Redund Tax	4000.00	0.0000	0.00		

****It is important to check PRSI code****

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How to Process Redundancy Payments with Different PRSI Codes

It may happen that you will need to process the Redundancy payment in separate amounts. These may be at different PRSI codes.

If this is the case you will need to process a part of the redundancy payment on the normal payroll, and the other portion of the redundancy payment should be processed in a bonus run.

How to Process a Bonus Run

Important – You must complete a normal payroll run before you can process a Bonus Run

Ensure that:

- The normal payroll run is complete, that it is at **End of Period**.
- That all reports are printed.
- That the company backup has been taken.

1. Select Set Period.
2. Select the Bonus Run check box, leaving the Period Number unchanged.

Set Period

New Period to process: 11

Ins. Weeks: 0
Nominal Period: 3
 Bonus Run
 New Cost Month

Run Date: 12/03/2010
Cheque Date: 12/03/2010
Giro Date: 12/03/2010
EMT Date: 12/03/2010

CWPS
Week From: 0 Week To: 0

Tell me more: Info

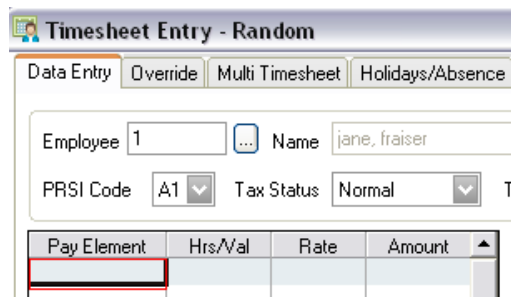
OK Ignore Cancel

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Note : Insurance weeks are automatically set to zero when the Bonus Run option is selected, since insurance weeks will not be credited within a Bonus Run.

After the Bonus Run period is set the period number on the status bar will display a 'B' after it.

1. Select **Timesheet Entry**.
2. Timesheets in a Bonus Run are blank by default. No Payments, Deduction, Holiday or Nett to Gross values will be displayed. Therefore you must manually select Payments and Deductions (if required) for each timesheet.
Double-click (or press F2) on the first **Payment Description** line to display a list of all company payments to choose from.



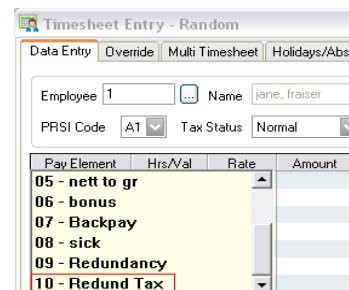
Timesheet Entry - Random

Data Entry | Override | Multi Timesheet | Holidays/Absence

Employee 1 Name jane, fraiser

PRSI Code A1 Tax Status Normal

Pay Element	Hrs/Val	Rate	Amount



Timesheet Entry - Random

Data Entry | Override | Multi Timesheet | Holidays/Abs

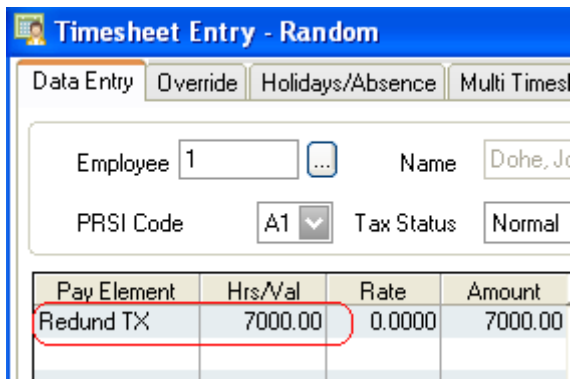
Employee 1 Name jane, fraiser

PRSI Code A1 Tax Status Normal

Pay Element	Hrs/Val	Rate	Amount
05 - nett to gr			
06 - bonus			
07 - Backpay			
08 - sick			
09 - Redundancy			
10 - Redund Tax			

3. Double-click on the payment required to bring it into the timesheet and enter the required value in the **Hrs/Value** column.

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Timesheet Entry - Random

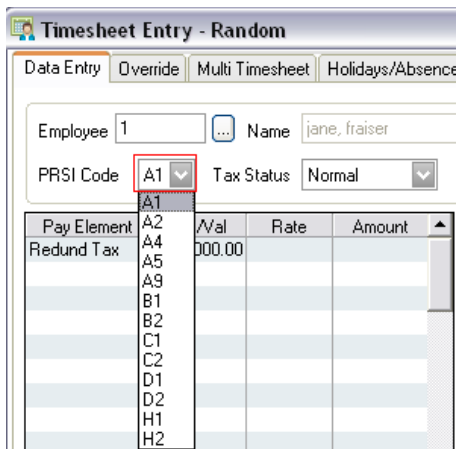
Data Entry | Override | Holidays/Absence | Multi Timesheet

Employee 1 Name Dohe, J

PRSI Code A1 Tax Status Normal

Pay Element	Hrs/Val	Rate	Amount
Redund TX	7000.00	0.0000	7000.00

3. You will also need to adjust the **PRSI** code. You can do this on the timesheet.



Timesheet Entry - Random

Data Entry | Override | Multi Timesheet | Holidays/Absence

Employee 1 Name jane, fraiser

PRSI Code A1 Tax Status Normal

Pay Element	Hrs/Val	Rate	Amount
Redund Tax	000.00		
A1			
A2			
A4			
A5			
A9			
B1			
B2			
C1			
C2			
D1			
D2			
H1			
H2			

4. The procedure for entering Deduction values is the same as above, with one extra step. i.e. Double-click on the first **Deduction Description** line to display the list, double-click again on the required deduction and then enter the required value. Then enter '1' into the **Deductions** box on the right of the Timesheet as shown below:

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Pay Element	Hrs/Val	Rate	Amount
Redund TX	7000.00	0.0000	7000.00

Deduction	E's Value	E's Contrib.
01 - Pension		
02 - VHI		
03 - Mat DED		
04 - PRSA		

Pay periods: Hol. Periods: 0, Tax Credits: 0, Fixed Payments: 0, Deductions: 1, Insur. Weeks: 0, Weeks worked: 0

Deduct CWPS for Weeks: 10 To 10

Net To Gross Pay: 0.00

Leaving TP: [dropdown], Date: [text]

Parking Levy: 0.00

Recalculations this period: PRD Tell me more... [Info]

Transfer Balance To BIK: [button]

Payslip Summary: Gross Pay: 7000.00, PAYE: 2808.04, USC: 0.00, PRSI: 280.00, PRSI Class: A1, Ins. Wks: 0, Hol. Wks: 0, Nett Pay: 3911.96

Errors and Warnings: [empty] Tell me more... [Info]

5. When the timesheets have been saved, proceed to print Reports, process End of Period and take a Backup in the usual way.

Note : As well as the period number displaying 'B' after it on the status bar at bottom of the screen, all reports except payslips and cheques will have '(B)' placed after the company name.