



FSSU
Financial Support
Services Unit

Clerical Officer Inservice

COMMUNITY & COMPREHENSIVE SCHOOLS

February 2019

AGENDA

- Additional Superannuation Contribution (ASC)
- Payroll: taxation of short-term Social Insurance Benefits
- Board of Management reports
- SURF accounts



ASC replaces PRD

- **From 01st January 2019**
- ASC applies to public servants who are in receipt of **pensionable pay** and applies to a person who is;
 - a) Member of a public service pension scheme or
 - b) Receive a payment in lieu of pension or
 - c) Is entitled to an ex-gratia retirement gratuity (annual or lump sum) on retirement
- Non-pensionable income such as supervision & substitution, selection committee payments, state examination remuneration paid by the school, payments to teachers for privately paid hours, un-rostered overtime, etc. will be **exempt** from ASC.

ASC replaces PRD

2019 - Annual thresholds and rates

Standard accrual group (member of the contributory pension scheme for full time non – teaching employees of C&C schools)	Single Scheme group (member of the single pension scheme)
First €32,000 @ 0%	First €32,000 @ 0%
Next €28,000 @ 10%	Next €28,000 @ 6.66%
Balance @ 10.5%	Balance @ 7%



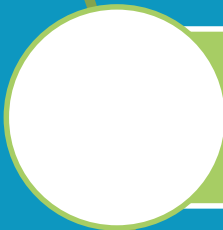
ILLNESS BENEFIT

Illness Benefit is payable by the DEASP when a person is unable to work due to illness or accident

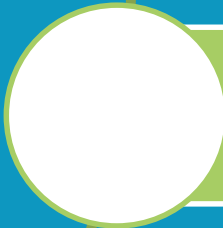
ILLNESS BENEFIT



The person must have made the appropriate PRSI contributions



The DEASP do not pay illness benefit for the first 6 days of a claim



There are new forms for claiming illness benefit since 7th August, 2018



The forms are available in the doctors surgery

TAXATION OF ILLNESS BENEFIT



ILLNESS BENEFIT - PAYROLL

1

- Illness Benefit is no longer taxed through the schools payroll system

2

- Revenue will tax Illness Benefit through an adjustment to the employees tax credits and SRCOP.

3

- Schools must import the latest RPN's each time they run the payroll.



ILLNESS BENEFIT – EMPLOYEE NO SICK PAY



Employee is not paid when out sick.



The Employee retains the DEASP payments



When the Employee returns to work DEASP will notify Revenue of the amount of DEASP payments



Revenue issue a revised RPN to the Employer.



The Employees SRCOP and TAX Credits will be revised for the DEASP payments.

TAXATION OF ILLNESS BENEFIT CLOSING WITHIN 4 WEEKS



Mary commenced sick leave in November 2018 for two weeks

The DEASP notified Revenue that the claim was closed within 4 weeks

a new RPN was issued by Revenue on a cumulative basis

Mary received Illness Benefit of €396.00

ILLNESS BENEFIT – RPN’S REDUCTION



The Revenue will adjust the SRCOP and Tax Credits for the amount of benefit received by Mary as follows:

	SRCOP	TAX Credits
Mary RPN original	€34,550.00	€3,300.00
<ul style="list-style-type: none"> •Revenue adjustment illness •Benefit (396*20%) 	<u>-€396.00</u>	<u>-€79.20</u>
Mary's RPN Revised	€34,154.00	€3,220.80

ILLNESS BENEFIT – EMPLOYEE RECEIVES SICK PAY



The Employee is paid during sick leave



Week 1 -Employee paid as normal as no illness benefit payable



Week 2 -Gross pay reduced by the amount of illness benefit and pay calculated on reduced salary. The Employer pays the illness benefit directly to the Employee.



Week 3 as above



The Employee returns to work and Revenue issue a revised RPN (usually two weeks later) and the Employees tax liability is corrected

PAYROLL EXAMPLE

- Ciara earns €650 per week
- Her employer pays her sick leave
- She was absent on sick leave for 3 weeks from week 11 to week 13
- Ciara mandated the illness benefit to her employer
- Ciara received her full pay in week 11 as she did not receive illness benefit due to the 6 waiting days
- In weeks 12 & 13 Ciara's sick pay was calculated as her full pay less illness benefit of €198 ($€650 - €198 = €452$)
- Ciara returned to work and was paid her normal salary in week 14
- Revenue issued a cumulative RPN with an adjusted tax credit & cut off in week 15

PAYROLL EXAMPLE

Solution to Example 6

Ciara

	Original	Revised
Annual Tax Credits	€ 3,300	€ 3,220.80
Weekly Tax Credits	€ 63.47	€ 61.94
Annual SRCOP	€ 34,550	€ 34,154
Weekly SRCOP	€ 664.43	€ 656.81

Standard Rate of Tax:	20%
Higher Rate of Tax:	40%

A	B		C	D	E	F	H	I	J	K	L	M	N		O	P	Q
Week No:	Salary Only	Repay Illness Benefit	Pension	PRD	Cumulative Taxable Pay	Cumulative SRCOP	Cumulative Tax due at Standard Rate	Cumulative Tax due at Higher Rate	Cumulative Gross tax	Cumulative Tax Credit	Cumulative tax due (cannot be less than 0)	Tax deducted or refunded this period	PRSI Contributions			USC	Net Take Home Pay
													EE PRSI	ER PRSI			
10	650.00		15.47	9.71	6,248.20	6,644.30	1,249.64	-	1,249.64	634.70	614.94	61.49	26.00	69.47	17.17	520.16	
11	650.00		15.47	9.71	6,873.02	7,308.73	1,374.60	-	1,374.60	698.17	676.43	61.49	26.00	69.47	17.17	520.16	
12	452.00	198.00	15.47	9.71	7,299.84	7,973.16	1,459.97	-	1,459.97	761.64	698.33	21.89	18.08	47.99	7.76	577.09	
13	452.00	198.00	15.47	9.71	7,726.66	8,637.59	1,545.33	-	1,545.33	825.11	720.22	21.89	18.08	47.99	7.76	577.09	
14	650.00		15.47	9.71	8,351.48	9,302.02	1,670.30	-	1,670.30	888.58	781.72	61.49	26.00	69.47	17.17	520.16	
15	650.00		15.47	9.71	8,976.30	9,852.15	1,795.26	-	1,795.26	929.10	866.16	84.44	26.00	69.47	17.17	497.21	
16	650.00		15.47	9.71	9,601.12	10,508.96	1,920.22	-	1,920.22	991.04	929.18	63.02	26.00	69.47	17.17	518.63	
17	650.00		15.47	9.71	10,225.94	11,165.77	2,045.19	-	2,045.19	1,052.98	992.21	63.02	26.00	69.47	17.17	518.63	
18						11,822.58				1,114.92							
19						12,479.39				1,176.86							
20						13,136.20				1,238.80							

ILLNESS BENEFIT – MORE THAN 4 WEEKS

Where the illness Benefit is claimed for more than four weeks the Revenue will issue the RPN on a week1/month 1 basis.

The Employee will need to contact revenue directly to get it restored to a Cumulative Basis.

TAXATION OF INJURY BENEFIT

The Taxation of Injury Benefit is identical to the taxation of illness benefit



TAXATION OF MATERNITY AND ADOPTIVE BENEFITS



The entire amount of Maternity and Adoptive Benefit, including any amount received in respect of a dependent child, is liable to income tax but is exempt from PRSI and USC



Revenue will issue the RPN on a week1/month 1 basis.

TAXATION OF PATERNITY BENEFIT



The entire amount of Paternity Benefit is liable to income tax but is exempt from PRSI and USC.



The Revenue will adjust the SRCOP and Tax Credits for the amount of benefit received



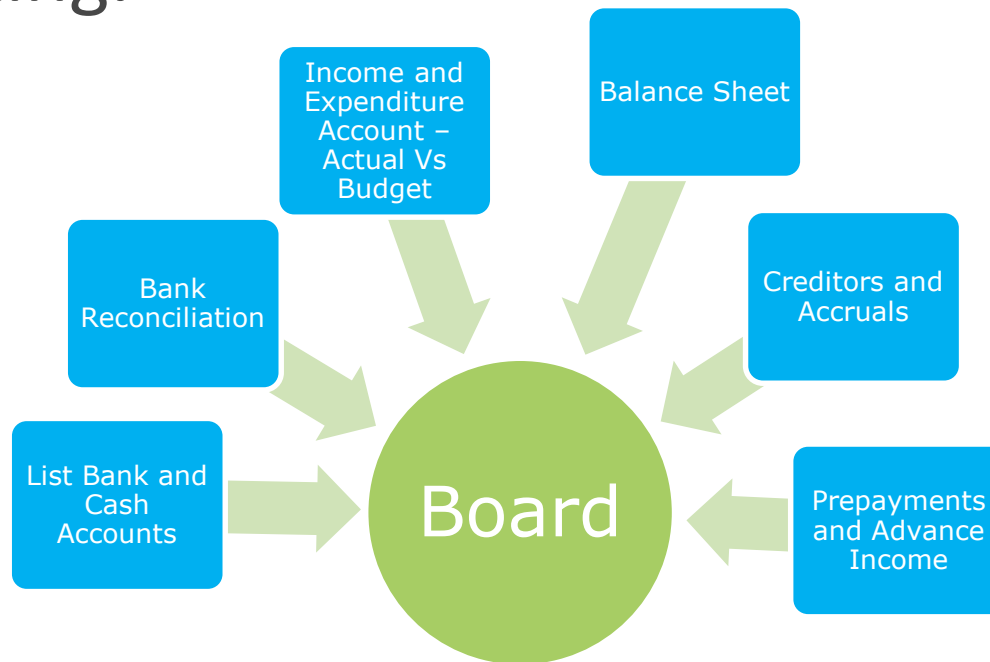
The RPN certificate will be issued on a week1/month 1

RECOMMENDED FINANCIAL REPORTS



RECOMMENDED FINANCIAL REPORTS

All board members should be given a copy of the financial reports at the main board meeting.



RECOMMENDED FINANCIAL REPORTS

List of Bank Balances



Bank Current Account



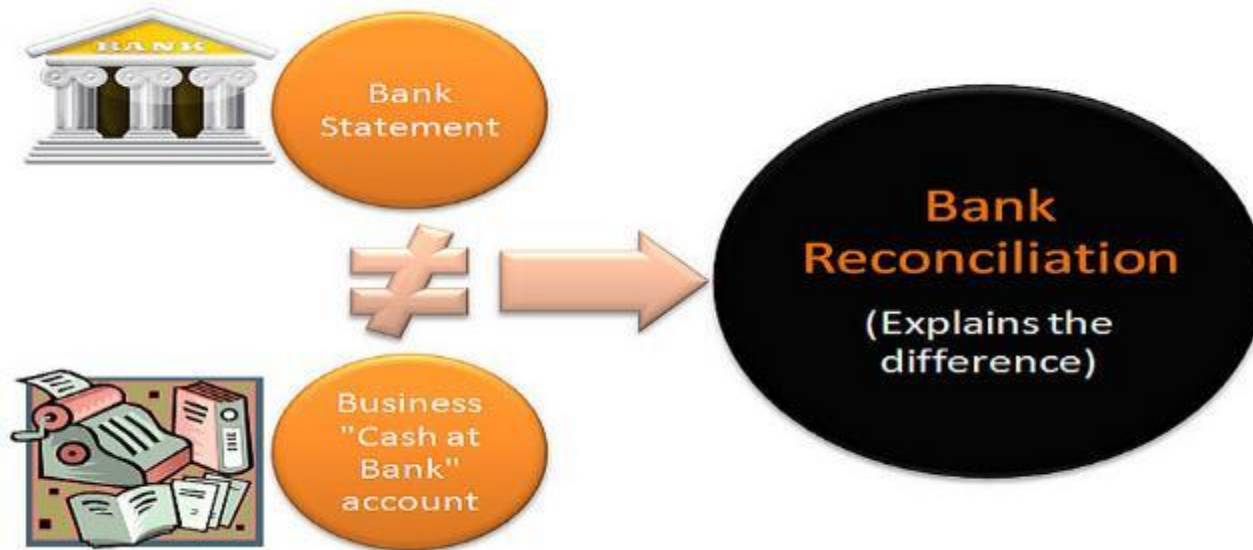
Bank Deposit Account



Petty Cash

RECOMMENDED FINANCIAL REPORTS

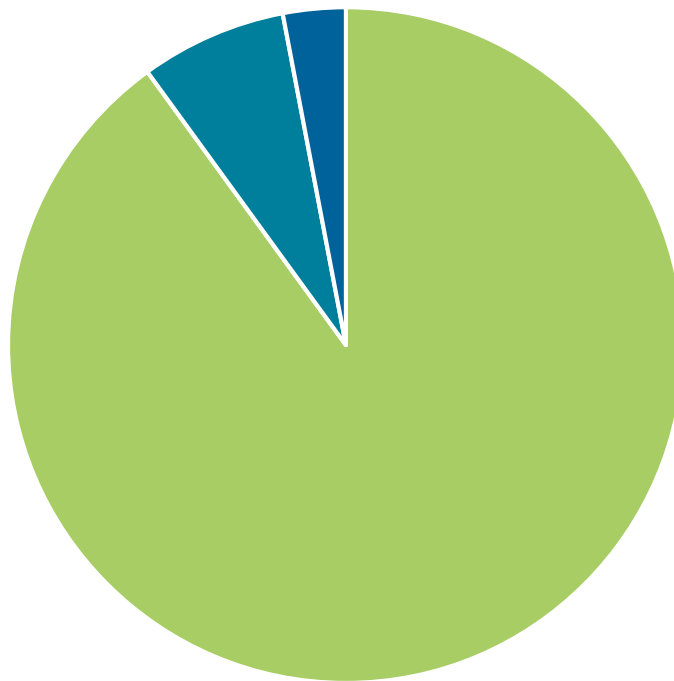
Bank Reconciliation statements



RECOMMENDED FINANCIAL REPORTS

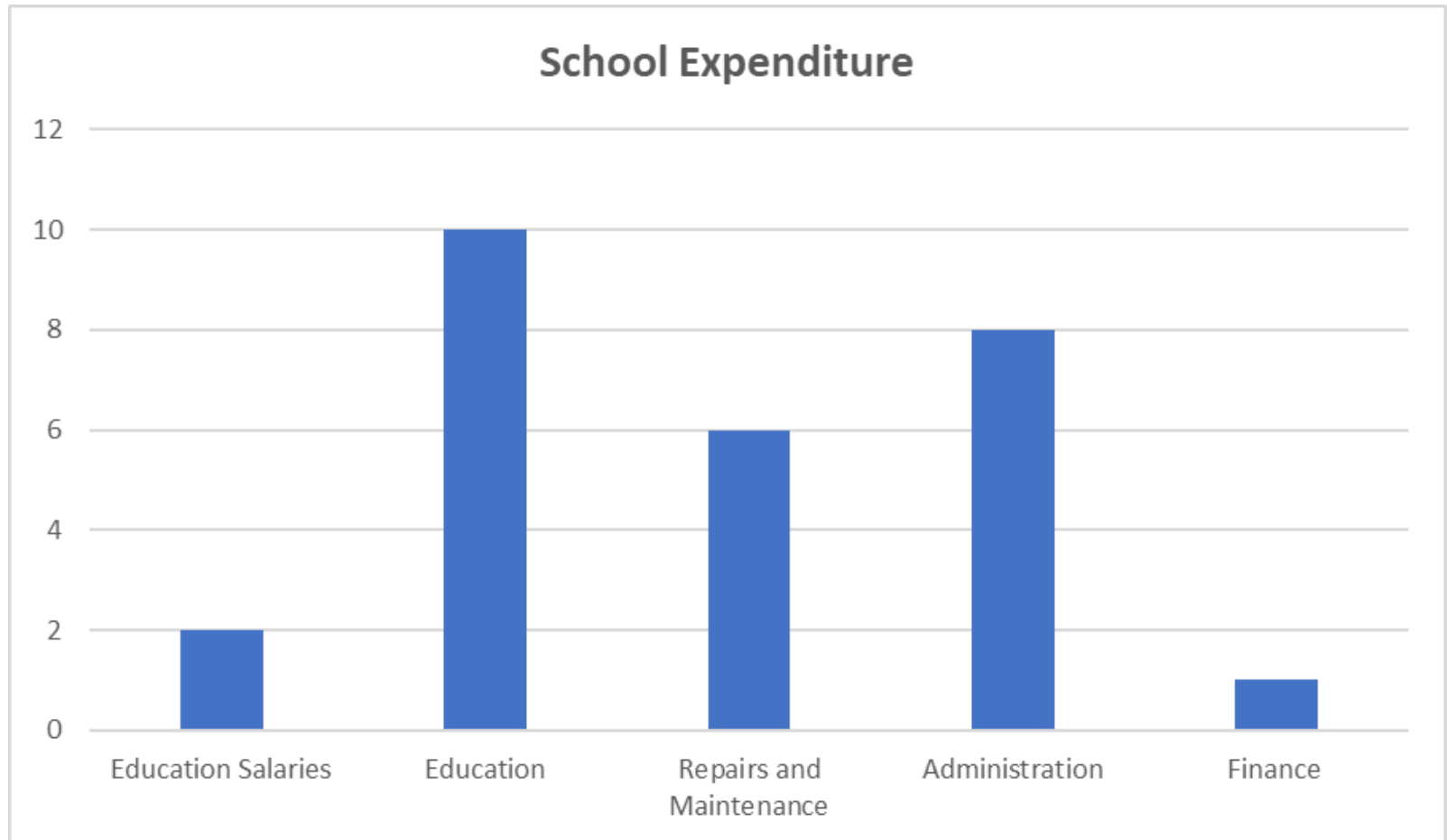
Income and Expenditure Account

Income



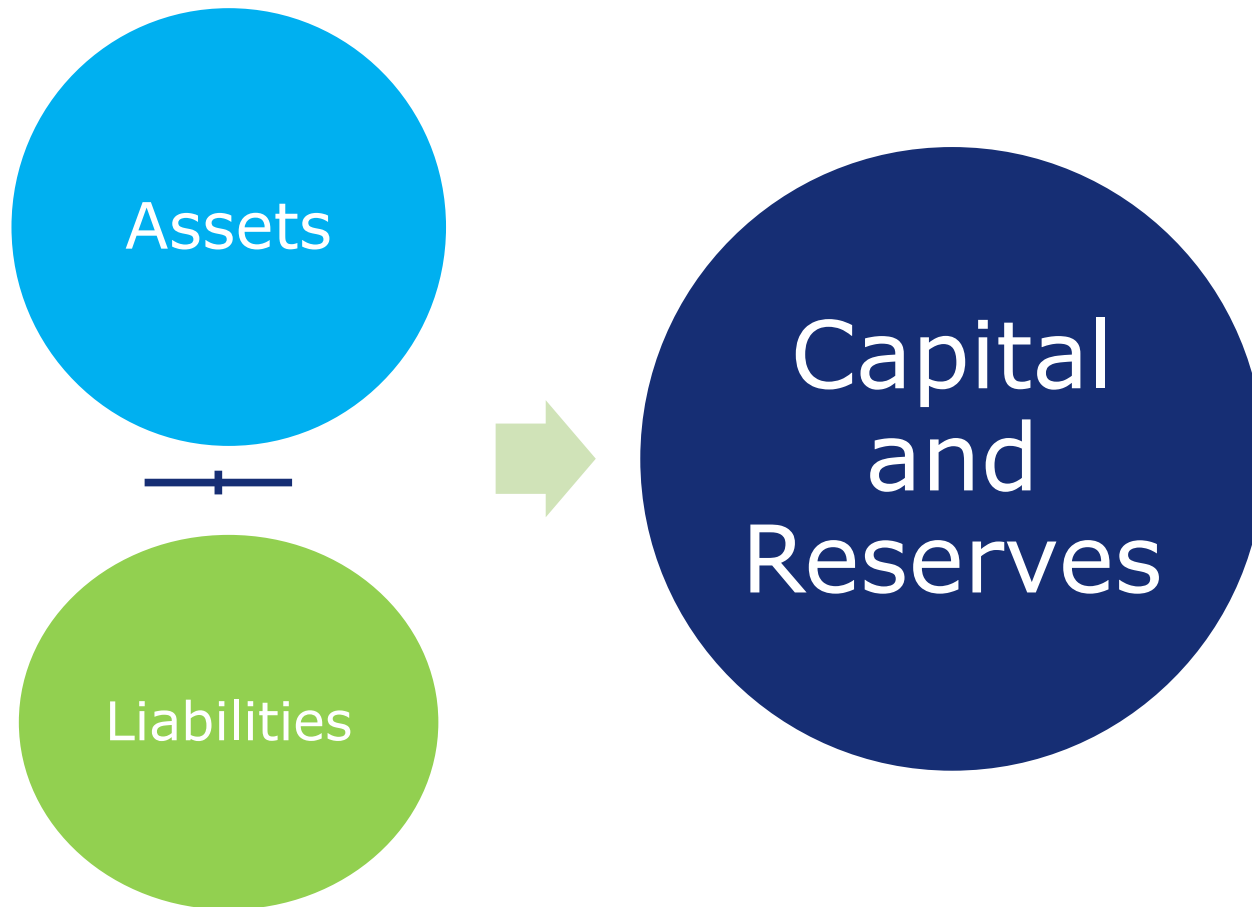
- Department Income
- School Generated Income
- Other Income

RECOMMENDED FINANCIAL REPORTS



RECOMMENDED FINANCIAL REPORTS

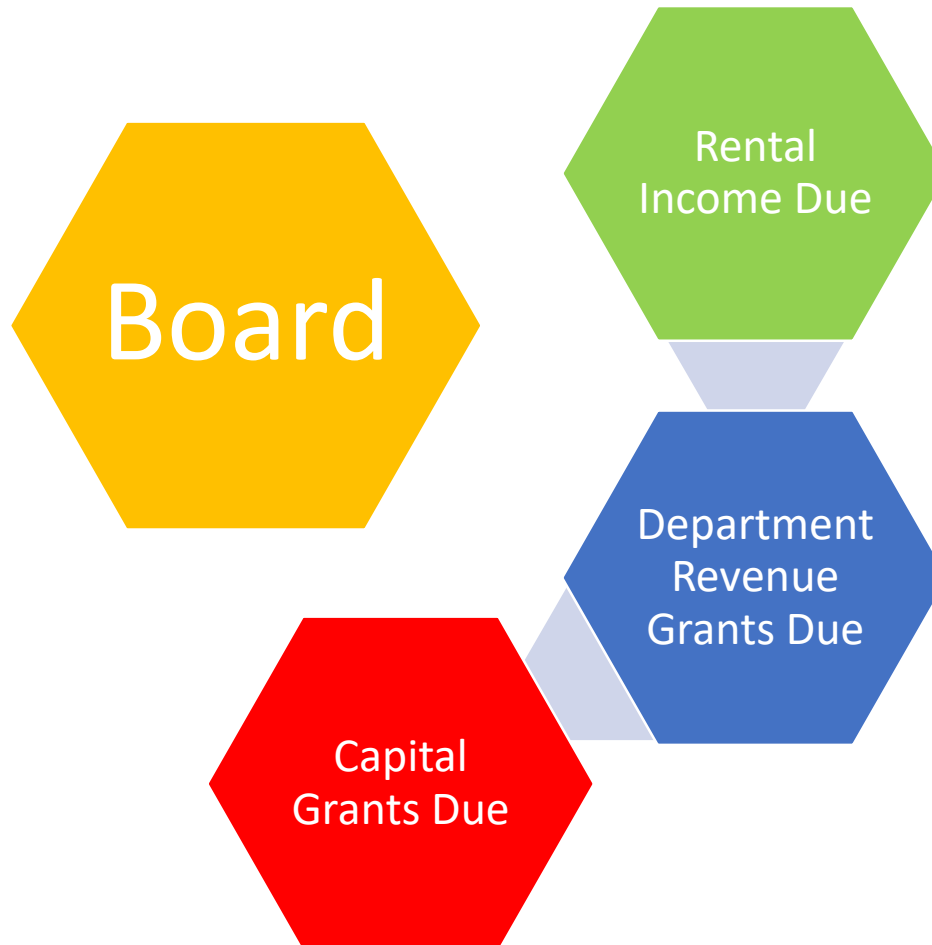
Balance Sheet



RECOMMENDED FINANCIAL REPORTS



Debtors & Prepayments



RECOMMENDED FINANCIAL REPORTS



Creditors and accruals



RECOMMENDED FINANCIAL REPORTS

Capital Income and Expenditure Account



TIMELINE FOR TRANSITION TO SURF ACCOUNTS

- Prepare 8 month accounts for the period 1 January 2019 to 31 August 2019
- Implement new accounts system for start at 01 September 2019



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visit our website**

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Welcome to the Financial Support Services Unit

The FSSU is a support mechanism for the school management in the Community & Comprehensive, Primary and Voluntary Secondary sectors which assists them in complying with the provisions of the Education Act 1998 in terms of transparency, accountability and financial responsibility for State and other funding.

The FSSU addresses the financial interests and responsibilities of the Department of Education & Skills, Boards of Management, Principals and other partners as defined by the Education Act. The FSSU is fully funded by the Department of Education and Skills and is hosted by the Joint Managerial Body.

PRIMARY



POST-PRIMARY



Home

Topics

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School Management

External Accountants / Auditors

Training

Accounting Procedures

After School Study

Banking

Budgeting

Charitable Donations

Charities Regulator

Fixed Asset Register

Grants

Interview and Selection Committees

Motor Rates

OLCS

Parents Association

Payroll

RCT and VAT

Revenue

Sage 50 Accounts

School Tours

Summer Works Scheme

Supervision & Substitution

Tendering

Remote Support



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Forms & Templates



**Current Guidelines****PRINT****All Guidelines**

After School Study

Banking

Budgeting

Charitable Donations

Charities Regulator

Title

Number

Sector



Transfer of Pension Related Deductions (PRD)

23 - 2018/2019

C&C, Vol. Secondary

VAT Compensation Scheme Update 2019

22 - 2018/2019

C&C, Vol. Secondary

VAT on EU Purchases

21 - 2018/2019

C&C, Vol. Secondary

Payments to Selection Committee Members

20 - 2018/2019

C&C






Replacement of PRD by ASC

19 - 2018/2019

C&C, Vol. Secondary



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-  [RCT & VAT](#)

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-  [Register for Budget Workshops](#)
-  [Latest Payroll Guidelines & Circulars](#)
-  [Sage 50 - Upgrading to V25](#)
-  [Sage 50 - Budget Import Template](#)

Remote Support



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Forms & Templates



Contact details



Kathleen Moloney
Accountant
kathleenmoloney@fssu.ie
Tel: 086 040 5128

Lorraine Guinan
Accountant
lorraineguinan@fssu.ie
Tel: 086 701 8874

Eileen Ahern
Accountant
eileenahern@fssu.ie
Tel: 086 851 9116

**Thank You for
Attending**