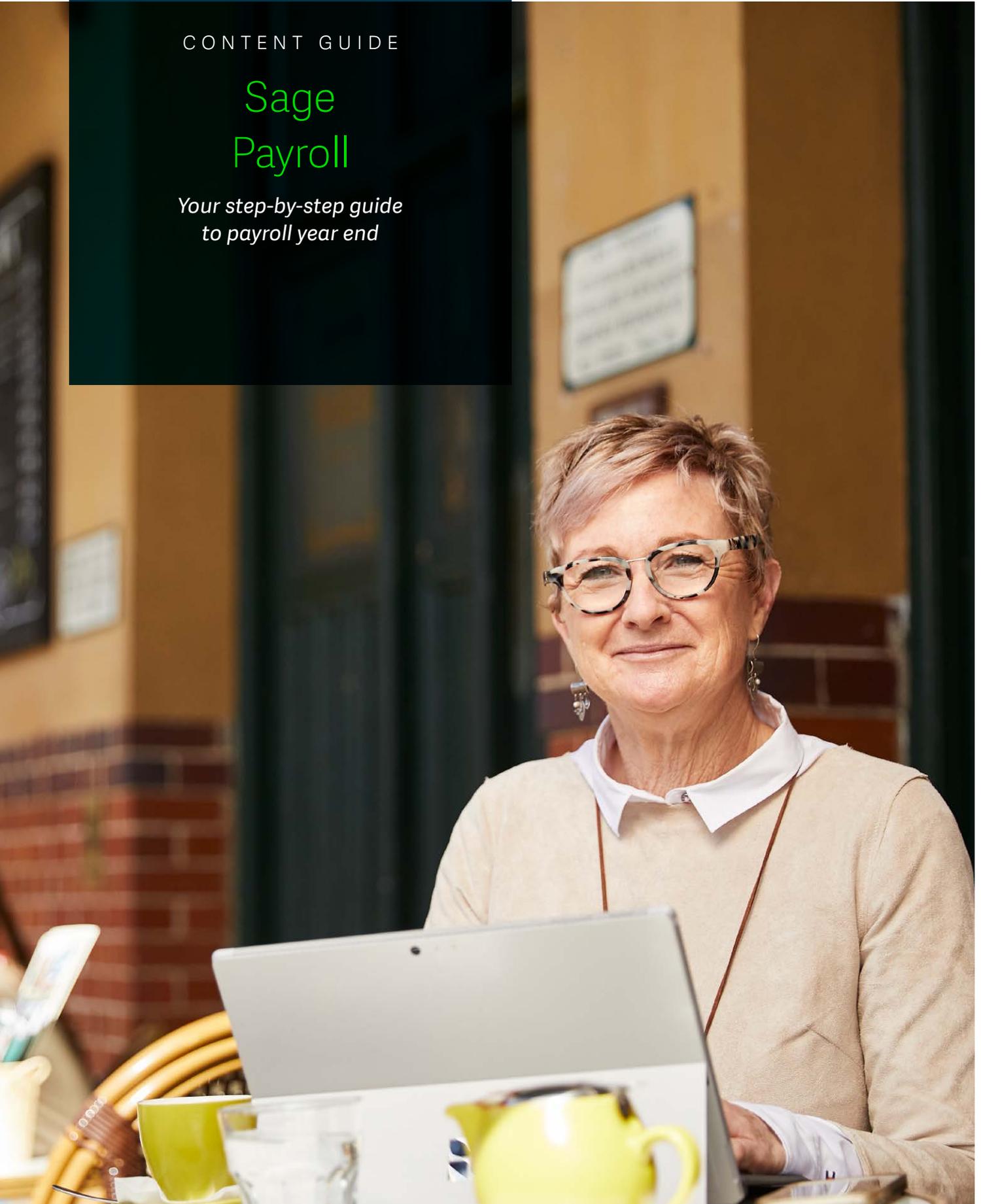**sage**

CONTENT GUIDE

Sage
Payroll

*Your step-by-step guide
to payroll year end*

Payroll software for small to medium sized businesses who need complete control and confidence in their payroll process.

Note:

You should install the year end update immediately. You don't need to complete your payroll for the 2018 tax year first. For help with installing this update, please read this guide or visit **www.sage.ie/pye**

Contents

Welcome to your guide to payroll year end

This guide takes you through the payroll year end process in four easy to follow parts:

1. Install your year end software update.

2. Prepare for your year end.

3. Process your year end.

4. Get ready for the new tax year.

Your year end software update

As part of your Sage Cover support contract, you receive the year end update. This update ensures you're ready for the 2018 year end tasks and also contains any budget 2019 changes.

Get more information this year end

Did you know you can access your online guide to payroll year end from in your software? It includes additional interactive features to make processing your year end even easier.

To access this from within your software, click **Year End**, point to **Tax**, then click **View User Guide**.

Payroll year end checklist

Part 1: Install the year end software update	Completed? Yes / No
Take a full system backup of your payroll data.	
Download and install the year end update.	

Part 2: Prepare for year end	Completed? Yes / No
Register with Revenue Online Service (ROS).	
Register to use the Sage Online Services to ROS.	
Process the final pay periods of 2018.	
Check your employee details are correct.	
Check your company information.	
Compare the Control Summary and P30/CC124 reports.	
Generate the Earnings, Tax & PRSI (ETP) report for each of your employees.	
Ensure that all your pensions are set up correctly.	
Validate your data.	

Part 3: Process your year end	Completed? Yes / No
Generate the P35 file for upload to ROS.	
Generate your employee P60s and other year end reports.	

Part 4: Get ready for the new tax year	Completed? Yes / No
Create and open the 2019 tax year.	
Set up the new tax year calendar.	
Set period one of the new tax year.	
Enable Central Statistics Office (CSO) reporting, if applicable.	
Set up the construction workers pension settings, if applicable.	
Assign Additional Superannuation Contribution (ASC) settings, if applicable.	
Clear down your financial year end balances, if applicable.	
Validate your data.	

Part 1: Install your year end software update

To ensure your software is up to date for the new tax year, if you haven't already done so, you must install your update. Before you install the year end update, it's important that you take a full system backup of your payroll data.

1.1 Take a full system backup of your payroll data

1. Open Sage Payroll and log in as the system administrator.

For more information about how to do this, visit **sage.ie/ask** and search for article **32221**.

2. On the menu bar, click **Miscellaneous** then click **Backup**.

3. For each payroll you want to back up, select the **Backup** check box.

4. To back up all system files, select the **Backup System Files** check box.

5. Click **browse** ⊡, browse to where you want to save the backup, then click **OK**.

6. Click **Backup**, then click **OK**.

1.2 Download and install your year end update

To make the installation of your year end update as easy as possible, you're automatically prompted to download and install this update when it's ready for you. As it contains legislation for both 2018 and 2019, you can install the year end update straight away.

For more information about how to configure your software for automatic updates, visit **sage.ie/ask** and search for article **32204**.

Check where your Sage Payroll data is held

To guarantee that your year end update installs to the correct location, you must know where your existing Sage Payroll software and data is held.

1. On the menu bar, click **Help** then click **System Information**.

2. Make a note of the Program Directory and Data Directory links.

> **Note:** If the data directory link shows a local drive, for example, C:\Program Data, then your payroll data is held on this computer. If the data directory link shows a mapped network drive or path, then your payroll data is held on a network.

Check your access rights

Before you install the year end software update, you must log on to your computer as an administrator. This is only necessary for the installation of the software; you don't need administrator permissions when using Sage Payroll. You may need to contact your IT Support to make any necessary arrangements.

To download and install the year end update

1. On the menu bar, click **Help** then click **Check For Updates**.

2. When you receive the prompt, click **Download Now**.

3. Once the download is complete, click **Install Now**.

4. To accept the terms of the licence agreement, select the check box and click **Next**.

5. When prompted What type of installation do you need?, complete one of the following options:

- If you store your payroll data files on this computer, select **This Computer**.

- If you store your payroll data files on a network, select **Server**.

> **Note:** If you run a server installation, the next time you open Sage Payroll you receive a prompt to run the client install. You must run this install on all computers that have Sage Payroll installed.

6.   Click **Next,** then select one of the following options:

- **Typical** - If you want to accept the default program and data folder locations, use this option.

- **Custom** - If you want to change the program and data folder locations, use this option. Then to enter the folder details, follow the on-screen instructions.

7.   Click **Next**.

8.   Select the **Add shortcuts to my desktop** check box, then click **Install**.

9.   When prompted, click **Finish**.

You've now completed the installation process and options appear on your desktop for both the 2018 and 2019 tax years.

1.3   Upgrade your data

After you install the year end update, the next time you open your Sage Payroll 2018 software, your data automatically upgrades. How long this takes depends on the size of your data files.

Once your data upgrades, check your version number is 21.3 or higher. You can find this in the top left-hand corner of your software. You're also prompted that your software is ready for the 2018 year end.

Part 2: Prepare for year end

To successfully prepare for payroll year end, you must complete your final payroll as normal and check your year to date information is correct.

2.1 Register with Revenue Online Service (ROS)

To make your P35 year end submission online to Revenue, you must register with ROS. If you haven't already done so, please contact the ROS technical help desk:

- By phone - 1890 201 106. If you're calling from outside Ireland, +353 1 702 3021.
- By email - roshelp@revenue.ie

Note: Registering with ROS may take you a few weeks, so allow plenty of time for this.

2.2 Register to use the Sage Online Services to ROS

The registration process only takes a few minutes to complete and you can do it now within your Sage Payroll 2018 software - However your computer must be connected to the Internet. Once registered, you'll be able to send payroll submissions to Revenue from within your Sage Payroll 2019 software.

For more information, please visit **sage.ie/ask** and search for article **41677**.

2.3 Process the final pay periods of 2018

Before you can create your year end returns, you must process the remaining pay periods of 2018 as usual.

Check if you have an extra pay period

If you're paying your weekly, fortnightly or four weekly paid employees on Monday 31 December, you have an extra pay period. You should process your payroll as normal on this date. For more information, visit **sage.ie/ask** and search for article **32326**.

Note: Monthly paid employees never have an extra pay period.

Process any holiday pay due over year end

If you have employees on holiday before the end of 2018 who aren't returning to work until the new tax year, you must process their holiday pay over year end in advance. For more information, visit **sage.ie/ask** and search for article **32277**.

2.4 Check your employee details are correct

As part of the year end routine, you must check your payroll information, such as your employee details are correct and up to date. Missing or incorrect details can cause problems when you upload returns to ROS.

For more information, please visit **sage.ie/ask** and search for article **43085**.

Medical insurance eligible for tax relief

If you pay medical insurance premiums on behalf of an employee, you must include how much of this is eligible for tax relief on your P35 year end submission.

Your medical insurance provider tells you how much this is for each employee. You must enter this in their records before creating your P35 returns. For more information, **sage.ie/ask** and search for article **34397**.

Pension tracing number

If you have employees that are members of an Approved Occupational Pension Scheme, you must enter their pension tracing number in their employee record. This information will be included on your P35 return to Revenue. Pension tracing numbers don't refer to Public Sector employment.

For more information about how to enter your employees' pension tracing numbers in Sage Payroll, visit **sage.ie/ask** and search for article **35283**.

2.5 Check your company information

Your company details are included on your returns to Revenue. To check this information is correct, do the following:

1. On the menu bar, click **Company/Payroll** then click **Company Details**.

2. Within the **General** tab, check your company's tax registration number and contact details are correct. Edit if required.

> **Note:** Revenue may reject your submission if they find spaces or dashes on your phone and fax numbers, or special characters in your address, for example, ( ) @ # %.

3. Click **OK**.

2.6 Compare the Control Summary and P30/CC124 reports

You must compare the end of year totals in the Control Summary and P30/CC124 reports. The totals for tax (PAYE), universal social charge (USC) and pay related social charge (PRSI) should match on both.

> **Note:** To ensure that the values on your P30/CC124 report are up to date, check your payroll status at the bottom of your Sage Payroll window is End of Period. For more information, visit **sage.ie/ask** and search for article **32187**.

1. On the menu bar, click **Reports** then click **Payroll Reports**.

2. Click the **Payroll** tab.

3. Select **Control Summary**, then click **Print**.

4. Select **P30/CC124**, then click **Print**.

5. When asked if you want to show quarterly subtotals, click **No**.

6. Make sure the following corresponding values match on both reports:

Control Summary - Cumulative Control Totals	P30/CC124 Value
Tax This Emp. (C/Forward)	PAYE Year
USC This Emp. (C/Forward)	USC Year
PRSI Employee (C/Forward) + PRSI Employer (C/Forward)	PRSI Year

2.7 Print the Earnings Tax & PRSI report for each employee

We recommend that you print the Earnings Tax & PRSI (ETP) report for each of your employees to check their values are correct.

1. On the menu bar, click **Reports** then click **Payroll Reports**.

2. Click the **Employee** tab.

3. Select **Earnings,Tax & PRSI**, then click **Print**.

4. Confirm that each employee report is complete and correct.

If the ETP report is incomplete or incorrect, resolve any outstanding issues before you produce your employee P60s or generate your P35 return.

2.8 Ensure that your pensions are set up correctly

Your P35 ROS file includes details of any pension contributions made by your employees and your company on their behalf. You must ensure that pensions are set up correctly in your software.

> **Note:** If you have any pension, personal retirement savings account (PRSA), additional voluntary contribution (AVC), retirement annuity contract (RAC) or construction workers pension (CWPS) deductions on your payroll, check they have a pension link assigned to them.

1. On the menu bar, click **Company/Payroll** then Click **Deductions**.

2. Select the relevant pension deduction, then click **Edit**.

3. In the Subtype box, click **Pension / RAC / PRSA**.

    For CWPS deductions, click **Pension / RAC / PRSA / CWPS**.

4. In the **Pension scheme** box, click the relevant pension scheme link.

5. If the pension deduction is an AVC, select the **Additional Voluntary Contribution (AVC)** check box.

6. Click **Save**.

7. Repeat the steps 2 to 6 for all pension deductions set up on your payroll.

2.9 Validate your data

You can use the data validator utility at any time during the tax year to check your payroll data for errors. It's particularly useful when you're preparing for year end tasks.

1. On the menu bar, click **Reports** then click **Validate Payroll data**.

2. If any errors appear on this report, you must resolve them now.

3. Repeat the above steps in each of your payrolls.

Part 3: Process your year end

Before you process your year end, you must have installed the year end update and followed the steps in the prepare section.

3.1   Generate the P35 file for upload to ROS

> **Note:** If you've more than one payroll with the same tax registration number, you must merge these payrolls into a consolidation company. You can then generate a single P35 file that covers all the consolidated payrolls. For more information, visit **sage.ie/ask** and search for article **32176**.

1. On the menu bar, click **Year End**, point to **Tax**, then click **Tax Year End Reports**.

2. Under P35 Returns, select **via ROS** then click **Create**.

3. Click **Continue**.

    If you're using a consolidation company, the P35 ROS – Consolidation Company Information window appears. Check that all valid payrolls are included, then click **Continue processing P35s**.

4. If any duplicate employee records are found, select the **I acknowledge** check box then click **Merge and Continue**.

> **Note:** If duplicate employee appears in red, you can't merge their record automatically. You must merge the employee records manually before continuing. For more information, visit **sage.ie/ask** and search for article **32285**.

5. Select one of the following options:

    •   **Original** - If you haven't already submitted a P35 for 2018, use this option.

    •   **Amended** - If you've already submitted a P35 for 2018, but you've changed some important employee details since then, use this option.

    •   **Supplementary** - If you need to submit extra information not included in the original P35 return, use this option.

6. Click **Proceed**.

7. In the P35 Pension Adjustments window, add any pension contributions you didn't enter in Sage Payroll using the **+/- Adjustment** options.

8. Click **Proceed**.

9. The ROS P35 Save As window automatically appear. Browse to where you want to save the P35 file, then click **Save**.

10. Select the **Open folder containing P35 ROS File** check box, then click **View Monitor**.

> **Note:** Make sure the file extension is .P35, for example, 15-567T.p35.

11. To print the monitor report, click **File** then click **Print**. Ensure your printer details are correct, then click **Print**.

12. Click **File**, then click **Exit** and **Done**.

13. To close the Tax Year End Reports window, click **Cancel**.

You've successfully produced the P35 return.
You should now check the following details are correct:

P35 monitor report – Summary section	Control Summary – Cumulative Control Totals
Total Pay	Gross This Emp. (C/Forward)
Total Tax	Tax This Emp. (C/Forward)
Total PRSI	PRSI Employee (C/Forward) + PRSI Employer (C/Forward)
Total USC	USC This Emp. (C/Forward)

Note: You should also compare the Total LPT value from the P35 monitor report with the LPT Year total on the P30/CC124 report.

Once you've checked the values are correct, you must submit the P35 file to Revenue via their website. The deadline for filing your P35 return is 23 February if you file online using ROS. If you file using a paper return the deadline is 15 February.

3.2 Produce your employee P60s and other year end reports

You must produce a P60 for all employees still working with your company at the end of the year. You must provide this P60 by 15 February 2019.

To print your employee P60s

1. On the menu bar, click **Year End**, point to **Tax**, then click **Tax Year End Reports**.

2. Under P60 Plain Paper, select either **In English** or **As Gaeilge**.

3. Click **Print**.

4. If prompted and applicable, select the following check boxes then click **OK**:

   • **Include applicable PRD60s** - If any of your employees pay pension related deduction (PRD), select this check box.

   • **Include employees who get email P60s** - If you want to print P60s for employees that are already set up to receive email payslips and P60s, select this check box.

   • **Include employees who were not paid this year** - To print blank P60s for your directors or any active employees who weren't paid this year (due to long term absence), select this check box.

5. To close the Tax Year End Reports window, click **Cancel**.

To print the PRD35 report

If one or more of your payrolls are subject to PRD, you must print the PRD35 report and submit it to the accounting office of your parent department.

1. On the menu bar, click **Year End**, point to **Tax**, then click **Tax Year End Reports**.

2. Select **PRD35**, then click **Print**.

3. To close the Tax Year End Reports window, click **Cancel**.

To print the PRC1 report

If any of your employees have had three or more PRSI classes while in your employment this tax year, then you must print the PRC1 report and send it to the Revenue by post. For more information, please visit **sage.ie/ask** and search for article **43059**.

Part 4: Get ready for the new year

Before you can start to process in the new tax year, there are a few things you need to do.

New legislation for 2019

For a full listing of all legislation changes that come in to effect from 1 January 2019, visit **sage.ie/ask** and search for article **42464**.

> **Tip:** Once you install the year end update, all legislation changes update automatically within your 2019 software.

4.1 Create and open the 2019 tax year

1. Open a payroll in your 2018 software.

2. On the menu bar, click **Year End** point to **Tax**, then click **Set up 2019 Tax Year**.

3. Follow the on-screen instructions and click **Close**, when prompted.

4. To close Sage Payroll 2018, click **Login** then click **Exit**.

5. From your desktop, double-click Sage Payroll 2019 and log in to the payroll as usual.

> **Tip:** Before you start processing in the new tax year, check your version number is 22.0 or higher. You can find this in the top left-hand corner of your Sage Payroll window.

6. Repeat the steps above for all payrolls you want to use in 2019.

4.2 Set up the new tax year calendar

To help organise your company's payment dates for the new tax year, you must create the payroll calendar.

1. On the menu bar, click **Company/Payroll** then click **Calendar**.

2. Within the **New Calendar** tab, enter the relevant details for period one of the new tax year.

> **Note:** It's important to enter the correct pay date for period one, as this date determines the subsequent dates of all of your pay periods. For more information, visit **sage.ie/ask** and search for article **35299**.

4.3 Set period one of the 2019 tax year

Before you can start to process pay for your employees, you must first set the pay period.

1. On the menu bar, click **Processing** then click **Set period**.

2. In the **New period to process box**, enter **1**.

3. Check the dates and information are correct for the current period. If not, amend as required.

4. Once all information is correct for the new period, click **OK**

> **Note:** If your holiday year ends on 31/12/2018, you automatically receive the option to roll forward the holiday information when you set the first period of 2019. To check your holiday year dates:
>
> - On the menu bar, click **Company/Payroll** then click **Company Details**.
> - Click the **Holidays** tab and check your holiday year start and finish dates are correct.

4.4 Enable Central Statistics Office (CSO) reporting

If the CSO has selected your company for surveying and you haven't done so already, you must enable the CSO reporting option.

> **Note:** If the CSO haven't selected you for surveying, proceed to the following section.

1. On the menu bar, click **Company/Payroll** then click **Company Details**.

2. Click the **CSO** tab.

3. Select the Use **CSO Reporting Feature** check box.

4. Enter your company's CBR number, then click **OK**.

You've successfully enabled CSO reporting. You also need to check your payments and employee data are set up for this. For more information, visit **sage.ie/ask** and search for article **32261**.

4.5 Set up your construction workers pension (CWPS) settings

If you process a CWPS on your payroll, you must clear the 2018 balances and history, and set up a new CWPS calendar for the new tax year. The 2019 CWPS scheme starts on Monday, December 31, 2018.

1. On the menu bar, click **Year End** then click **New Construction Pension Year.**

2. When you receive the prompt to clear the balances and history, to continue, click **Yes**.

3. To set up your 2019 CWPS calendar, click Company/Payroll then click **Construction Workers Pension**.

4. Click the **Calendar** tab.

5. Check the default dates and information are correct for 2019. If not, amend as required.

6. Once all information is correct, then click **OK**.

For more information about CWPS, visit **sage.ie/ask** and search for article **32262**.

4.6 Assign Additional Superannuation Contribution (ASC) settings to your employees, if applicable

Additional Superannuation Contribution (ASC) calculations come into effect from 1 January 2019 and replace the Pension Related Deduction (PRD). PRD and ASC is only relevant to public sector employees.

If you have employees that are liable for ASC deductions in 2019, you must assign the appropriate ASC settings within their records. For more information, visit **sage.ie/ask** and search for article **43062**.

.4.7 Clear your financial year end balances

The tax year runs from 1 January to 31 December, however your company's financial year may not coincide with these dates, for example, 1 August to 31 July.

This optional year end task involves you clearing any deduction balances that you don't want in your new financial year. You can carry out this clear down whenever it's appropriate for your company payrolls.

To clear the cost analysis

You use the cost analysis feature to associate payments and deductions with departments and cost centres. This helps you break down where in your organisation costs occur.

1. On the menu bar, click **Year End**, point to **Financial**, then click **Clear Cost Analysis**.

2. Click **OK**, then click **OK** again.

3. Repeat the steps above for all payrolls you want to clear the cost analysis for.

To clear the payments

1. On the menu bar, click **Year End**, point to **Financial**, then click **Clear Payments**.

2. To clear every payment's hours and values, select the **Select all** check boxes.

Alternatively, you can clear specific payments values by selecting the relevant **Hours TD** and **Values TD** check boxes.

3. Click **Clear Selected**, then click **Yes** and **OK**.

To clear the deductions

1. On the menu bar, click **Year End**, point to **Financial**, then click **Clear Deductions**.

2. To clear every deduction's values, select the **Select all** check boxes.

Alternatively, you can clear specific deduction values by selecting one or more of the following check boxes:

- **Std. Amt**. - To clear the standard amount deducted each period, select this option.

- **Balance** - To clear the total of the deduction accumulated since the last clearance, select this option.

- **Total** - To clear the running total of the deduction since it was first introduced, select this option.

- **Tax Yr. Bal**. - To clear the tax year balance of the deduction, select this option.select one or both of the following check boxes:

3. If you want to clear the employee pension history, in the **Non-Tax Deds. (Employee Employer)** box, select one or both of the following check boxes:

- **Financial Year** - To clear the pension history accumulated since the last clearance, select this option.

- **From Start** - To clear the pension history since it was first introduced, select this option.

4. Click **Clear Selected**, then click **Yes** and **OK**.

4.8   Validate your data

1. On the menu bar, click **Reports** then click **Validate Payroll data**.

2. If any errors or warnings appear, you must address them now before you begin to process your employees' pay details in the new tax year.

3. Repeat the previous steps in each of your payrolls.
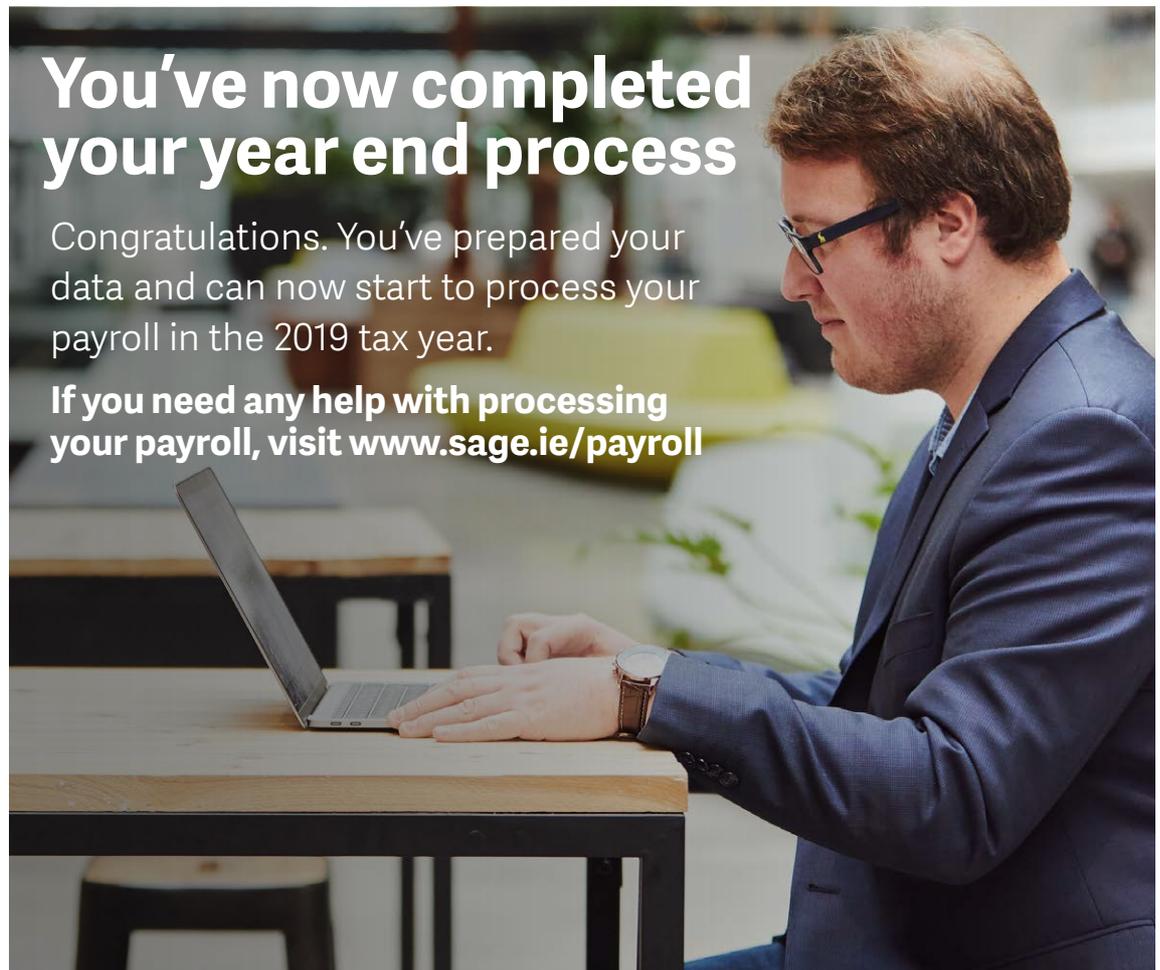
You've now completed your year end process

Congratulations. You've prepared your data and can now start to process your payroll in the 2019 tax year.

If you need any help with processing your payroll, visit www.sage.ie/payroll

sage

Sage Ireland
1 Central Park
Leopardstown
Dublin 18

www.sage.com