Revenue

New RCT System - engaging with Revenue

Information Sessions
October - November 2011

Highlights of the new system

Revenue
Irish Tax & Customs

- Mandatory electronic communication with Revenue for **all** principals
- No paper RCT forms in new system
- Three RCT rates: 0%, 20%, 35%
- Key dates:
  - 5th December 2011
  - 1st January 2012 (full system goes live)
- Sectors affected:
  - Construction
  - Forestry
  - Meat Processing

Why change the system now?

Revenue
Irish Tax & Customs

- Too much paper in the current system
- Standard RCT rate (35%) too high
- Phased rollout of Mandatory efiling
- Customer confidence in ROS

Benefits to customers

Revenue
Irish Tax & Customs

- Eliminate most RCT forms and reduce administrative burden
- Eliminate errors/delays associated with paper systems
- Automatic updating of Revenue's records for Principals and Subcontractors
- Transactions can be viewed immediately through ROS
- Pre-populate the periodic Deduction Summary/Return
- Clarity on RCT rate to apply to Subcontractor
- Improve cash flow for Subcontractors

Fundamentals of the new system

Revenue
Irish Tax & Customs

- Engaging with Revenue electronically - options
  - ROS online (RCT Service)
  - ROS offline application
  - Your in-house accounting system (if compatible with new system)
  - Whatever option(s) you choose, you must be registered for ROS
- Contract Notification
- Payment Notification
- Deduction Authorisation
- Deduction Summary --- Periodic Return

Fundamentals of new system

Engaging with Revenue electronically

Using ROS online

Revenue
Irish Tax & Customs

ROS registration:

- You must be registered for ROS **unless** your agent will undertake **all** RCT functions on your behalf
- If you engage an agent/tax advisor/bookkeeper to perform any RCT functions on your behalf, they must be ROS registered

Using ROS:

- Log onto ROS and go to the new RCT Homepage
- Select the action you wish to perform
- FAQs on the new system available on ROS
- Service available 24/7

Gaeilge English

My Services

Welcome to ROS, PIGGY BANKY
The last login with this certificate was on Wed 14 Sep 2011 at 11:03.
This is your personal services page where all your on-line services may be accessed.
Click on the tabs at the top of each page to navigate within the ROS secure website.

File a Return With/Without Payment

Please note that only taxes you are registered for are shown. Where appropriate, you will be given the option of filing the return with or without a payment.

File a Return On-line
Click on **On-Line Return** to file a Return on-Line

On-Line Return

Upload a File Completed Off-Line
If you wish to upload a File you have already completed Offline, select the Return Type from the drop down list and click Go.

Return Type

GO

Download a pre-populated Return

Click **Download** to download a pre-populated return for use with the ROS Offline Application.

Download

Tax Registration

Online registration and cancellation services are now available for the following business taxes; me Tax, Corporation Tax, Employer's PAYE/PRSI, Envi ental Levy, Value Added Tax and Relevant Contracts Tax. t-client relationships can also be managed for each of these iness taxes and for PAYE. If you wish to use these service ease go to eRegistration.

Relevant Contract Tax

Principal Contractors can register a Relevant Contract and file a Payment Notification online. If you wish to use these services, please go to RCT.

Sub Contractors can lookup and review their Deduction Rate. If you wish to use this service, please go to RCT.

ROS Inbox

There are 15 new Items in your Inbox

ROS Payment/Declaration Without Return

Click **Payment** to make a payment only, for any tax that you are registered for in ROS.

Payment

Click **Interest** to make an interest payment only.

Interest

ROS Debit Instruction (RDI)

With a ROS Debit Instruction (RDI) the amount of the payment and when the payment is made is determined solely by the customer. The RDI Debit Instruction does not confer on Revenue a right to take money from a customer's bank account until each payment is initiated and authorised by that customer.

The RDI instruction comes within the scope of the Direct Debit Scheme Rules relating to refund and refusal rights for customers. A Direct Debit Guarantee has been drawn up to ensure that customer's legal rights are in place.

You can view this Direct Debit Guarantee by clicking here.

Complete/Amend/Download a ROS Debit Instruction (RDI) to set up payments from your bank/building society account.

Tax Clearance What's this?

PIGGY BANKY does not hold a current tax clearance certificate.

Secure file upload/download service

Secure file upload/download service

Relevant Contracts Tax

RCT Contract

Register a new RCT Contract

This facility allows you to submit single or multiple RCT contracts.

Search Existing RCT Contracts

This facility allows you to search previously filed RCT contracts.

RCT Payment Notification

Input RCT Payment Notification

This facility allows you to submit single or multiple RCT payment notifications.

Search Existing RCT Payment Notifications

This facility allows you to search previously filed RCT payment notifications.

Cancel

Using ROS offline application

Revenue
Irish Tax & Customs

- Can be used for notifying contracts and payments to Revenue
- The offline application will be available from:
  - 5th December 2011 – Contract Notification
  - 1st January 2012 – Payment Notification
- To download the application onto your desktop, go to:
  http://www.ros.ie/PublisherServlet/downloads
- Transmitting data to Revenue:
  - Log onto ROS and upload data

Using your in-house system

Revenue
Irish Tax & Customs

- Your in-house accounting system (developed in-house or purchased from 3rd party software provider) may need to be updated to ensure it is compatible with the new RCT system
- Technical documentation on the new system is available (email: eRCTInfo@revenue.ie)
- Transmitting data to Revenue:
  - Log onto ROS and upload the data or
  - Use 3rd party webservice

Fundamentals of new system

Contract Notification

Contract Notification (CN)

Revenue
Irish Tax & Customs

- Principal must notify **each** contract to Revenue:
  - Declaration on employment status
  - Subcontractor's name and tax reference number
  - Confirm whether Sub has a fixed place of business
  - Supply contract details, including sector, nature of work, location, estimated value and duration of contract
  - May have to answer questions on employment status of Sub
- Facility for batch input and upload onto ROS website
  (Limit: 10 CN's per batch)
- Principal should establish identity of the Sub

Contract Registration - Contract Details 1-2 - Microsoft Internet Explorer provided by Revenue Commissioners

https://netrawebtest:7560/ros-common-services/erct.xhtml?execution=e1s3

Certificate Error

Live Search

File Edit View Favorites Tools Help

Favorites | Revenue Web Site | Time Clock (T&A System) | RevNet | Time and Attendance | Revenue Phonebook | e-Payslip

Contract Registration - Contract Details 1-2

Page Safety Tools

Contract Registration - Contract Details 1-2

* Denotes a required field

Declaration

I am satisfied, having regard to the guidelines published by the Revenue Commissioners as to the distinction between a contract of employment and a relevant contract, that the contract which I propose to enter into with the subcontractor on this form is NOT a contract of employment * ☐

Subcontractor Personal Details

Sub Tax Reference Number *	
Sub Name *	
Indicate if Tax Reference Number is not available	☐
Does the Subcontractor have a fixed place of business to take orders, bookings for contracts, store materials and equipment etc? *	○ Yes ○ No

Contract Details

Sector *	Please select one...
Nature of Work *	
Location of Work *	
Start Date of Work *	
End Date of Work *	
Estimated Value Of Contract *	

Cancel

Continue

Contract Registration - Contract Details 1-2 - Microsoft Internet Explorer provided by Revenue Commissioners

Where Sub's tax reference No. is not provided, Principal must provide additional information on Sub (address, country, etc)

Address Line 1 *

Address Line 2 *

Address Line 3

Country * Please select one...

Phone Number

Mobile Number

Email Address

Subcontractor Foreign Details

If the subcontractor is registered for tax outside Ireland, please state State in which registered Please select one...

Tax registration number in that Country

Contract Details

Sector * Please select one...

Nature of Work *

Location of Work *

Start Date of Work *

End Date of Work *

Estimated Value Of Contract *

Type of Subcontractor

Type of Subcontractor *

Individual Company Partnership

Contract Registration - Contract Details 2-2 - Microsoft Internet Explorer provided by Revenue Commissioners

The Principal may be required to answer some additional questions relating to the employment status of the Subcontractor.

Contract Registration - Contract Details 2-2

* Denotes a required field

Are you satisfied that the contract is NOT a labour only contract? ○ Yes ◉ No

Will the Subcontractor

Supply Materials? *	○ Yes ○ No
Provide plant and machinery necessary for the job, other than hand tools? *	○ Yes ○ No
Engage other people to work on the contract at his/her own expense? *	○ Yes ○ No
Receive an agreed contract payment(s) without entitlement to pay for overtime, holidays, country money, travel and subsistence or other expenses payment? *	○ Yes ○ No
Be excluded from the industry pension and sick pay scheme, if a sole trader? *	○ Yes ○ No ○ N/A
Organise his/her own transport to and from sites? *	○ Yes ○ No

Does the Subcontractor

Cost and agree prices for jobs? *	○ Yes ○ No
Provide his/her own insurance cover as appropriate e.g. public liability, etc? *	○ Yes ○ No

Is the Subcontractor

Free to choose the method to be employed in carrying out the work without the direction or control of the site foreman/overseer? *	○ Yes ○ No

Done Local intranet 100%

Contract Notification cont.

Revenue
Irish Tax & Customs

- On submission of contract details, Principal will immediately receive an acknowledgement in ROS inbox (includes contract ID number)
- Subcontractor will be notified by Revenue
- NO payment can be made to a Sub from 01/01/12 **unless** the contract has first been notified
  - This will have an impact on contracts that are ongoing at 31/12/11
- Multiple contracts with a Sub: Principal must notify **each** contract unless they are all part of one ongoing relevant contract with Sub

Contracts notified to Revenue

Revenue
Irish Tax & Customs

Options available to Principal:

- Searching contracts
- Cancelling a contract:
  - Only where no payments have been notified on contract
- Amending details of a contract:
  - Location
  - End date
  - Estimated value of contract
  - Contact your local Revenue District if any other details need to be amended

Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

MY SERVICES | REVENUE RECORD | PROFILE | WORK IN PROGRESS | ADMIN SERVICES

FAQs | Help | Exit |

This screen contains test data only

Relevant Contracts Tax

Contract Summary

Search Older Contracts

You can use the filters in the table below to refine your results. Select the Contract and 'Edit Contract' to edit Contract Details. Select the Contract and 'Cancel Contract' to cancel Contract Details. Select the Contract and 'View Contract' to view contract details

Contract ID	Sub Rate	Sub Tax Ref	Sub Name	Status
2786			PIGGY BANKY	Closed
3833		4742054W	TEST	Closed
3994		5126981M	QINCNK YPCNFDA	Closed
3995		9554022F	BGQGF XDFAG & TGHILA XDFAG	Closed
4645	35%	9751523D	SEAMUS MORAN & CO	Open
4660	**35%**	**9751523D**	**SEAMUS MORAN & CO**	**Open**

View Contract | Cancel Contract | Edit Contract

Back

FAQs | Help | Exit | Accessibility
Terms & Conditions | Privacy Policy | Certificate Policy Statement | Certification Practice Statement
Eolas as Gaeilge

Fundamentals of new system

Payment Notification & Deduction Authorisation

Payment Notification (PN)

Revenue
Irish Tax & Customs

- Principal must notify Revenue online immediately before making a payment
- Notifying a payment:
  - Select contract from list and input gross payment amount
  - The Revenue system will immediately calculate the net payment and tax to be deducted (if using ROS online)
  - Submit details to Revenue
- Facility for batch input and upload onto ROS website

  (Limit: 100 PN's per batch)
- Penalties will apply for making a payment to a Sub without prior notification to Revenue

Revenue
Cáin agus Custaiméirí na hÉireann
Irish Tax and Customs

FAQs | Help | Exit

MY SERVICES | REVENUE RECORD | PROFILE | WORK IN PROGRESS | ADMIN SERVICES

This screen contains test data only

Relevant Contracts Tax

Payment Notification Detail

* Denotes a required field

Principal Tax Reference Number	0006230A
Principal Name	JOESTEST CASES DSSDSDSDSDSD
Sub Tax Reference Number	5632589K
Sub Name	BEN HOLMES
Gross Payment Amount *	
Net Payment Amount	
Deduction Amount	
Tick this box if this is a post payment notification	☐

Cancel

Continue

FAQs | Help | Exit | Accessibility
Terms & Conditions | Privacy Policy | Certificate Policy Statement | Certification Practice Statement
Eolas as Gaeilge

Deduction Authorisation

Revenue
Irish Tax & Customs

- Issued to Principal's ROS inbox by Revenue in response to Payment Notification (instantaneous)
- Specifies the rate and amount of tax to be deducted from the payment
- Valid until the earlier of:
  - Making the payment,
  - Due date for return, or
  - Actual date return made
- Principal must give copy/details to Sub
- RCT credit applied immediately to Sub's tax record

Payment Notification (PN)

Revenue
Irish Tax & Customs

Options available to Principal:

- Looking up Payment Notifications
- Amending a PN (if gross payment amount is wrong):
  - During return period: You cannot amend the gross payment on a PN – the PN must be cancelled and a new PN completed
  - After end of return period and before due date for return: You can amend the relevant line item on the Deduction Summary
  - Sub will be notified (if tax was deducted from payment)

Fundamentals of new system

Deduction Summary --- Periodic Return

Deduction Summary (DS)

Revenue
Irish Tax & Customs

- DS is issued by Revenue at the end of each return period (monthly, quarterly)
- Pre-populated by Payment Notification process
- Lists payments notified (1 line item per PN)
- Identifies total tax due to be paid by Principal
- Principal should check Deduction Summary:
  - If details correct, no further action required
  - If details not correct, Principal should amend the relevant line item(s)

Deduction Summary & Return

Revenue
Irish Tax & Customs

No amendments required:

- If details are correct, no further action required - DS will be **deemed** to be the return

Amending the Deduction Summary (DS):

- **Amend** a line item (e.g. amend gross payment amount)
- **Carry forward** a line item into the next return period (where payment was made after end of return period but BEFORE due date for return)
- **Cancel** a line item (where payment not made to Sub)
- **Adding payments** not previously notified

Deduction Summary & Return

Revenue
Irish Tax & Customs

- Tax to be paid by due date:
  - If paying online – payment of tax due on or before 23rd day after end of return period
  - If not paying online – payment of tax due on or before 14th day after end of return period

- Amending a return AFTER the due date has passed:
  - Payments not previously notified by Principal can be added to return
  - Principal cannot amend line items - must contact local Revenue District

Penalties in new system

Penalties in new system

Revenue
Irish Tax & Customs

- Normal tax penalty provisions apply

eRCT specific:

- Section 530F for making a payment without prior notification to Revenue
- Section 530M for making a late or amended return (surcharge)
- Section 1078 for failure to deduct tax, or failure to pay RCT deducted
- Section 1052 failure to make any return, statement, list or other document or delivers an incomplete return

Subcontractors

How they will be impacted by the new system

RCT Rates in New System

Revenue
Irish Tax & Customs

Three rates of RCT

- Zero Rate
  - Current C2 rules will apply
    (Although no physical C2 card in new system)
- 20% Rate
  - "Complied substantially"
- 35% Rate
  - Contractors "unknown" to Revenue
  - Serious compliance issues

Subcontractors: RCT Credit

Revenue
Irish Tax & Customs

- Credit will be posted to the Subcontractor's account based on Payment Notifications by Principal

- Available for offset primarily against Income Tax / Corporation Tax and other tax liabilities

- No repayment of tax until the Income Tax / Corporation Tax return for the period has been filed and the liability finalised

Notifying Subcontractors

Revenue
Irish Tax & Customs

- Receive copy of Deduction Authorisation from Principal
- Notified of RCT rate
- Advised by Revenue when contract is notified online by Principal
- Advised by Revenue when Payment Notification cancelled or when payment details amended on the Deduction Summary
- If registered for ROS, can view RCT transactions online

Transitional Arrangements

How Revenue will assist you with the transition to the new system

Obligations on Principals

Revenue
Irish Tax & Customs

From 1st **January 2012**, ALL Principals must comply with their obligations in the new RCT system.

They will be obliged to:

- Notify Revenue of all contracts online
- Notify payments online
- Provide copy/details of Deduction Authorisation to Sub
- Submit periodic returns online
- Make payments of RCT deducted

Freezing rates for first 3 months

Revenue
Irish Tax & Customs

- **Sub rates will be frozen from 01/01/12 to 31/03/12**
- Subs holding a valid C2 card will qualify for the 0% rate, provided they keep their tax affairs up to date. All other Subs will be placed on the 20% rate
- "Unknown Subs" will be placed on the 35% rate until they register with Revenue
- Principals with in-house accounting systems not fully updated by 01/01/12 may continue to use their current in-house systems to process payments in addition to using the ROS online/offline applications. Must incorporate the new 20% rate into their systems
- Visit the Revenue website for further details

Notifying contracts

Revenue
Irish Tax & Customs

- Each contract must be notified **BEFORE** first payment made to Sub in 2012
- Principals can start notifying contracts to Revenue online from 5th December 2011
- To assist Principals with the transition, Revenue will pre-populate new system with data on contracts taken from 2010 RCT 35 returns and from Revenue's records (including 2011 RCT 47 data)

Notifying contracts cont.

Revenue
Irish Tax & Customs

- Using data from 2010 RCT 35 return:
  - Data must be correct (e.g. Sub's tax number)
  - Paper return must have been received on time for data capture
- Principal should go online on or after 5th December:
  - If contract is no longer in place, Principal should cancel the contract by 31/12/11
  - Amend details that are incorrect
  - Notify contracts not included on system
- Visit the Revenue website for details

Notifying multiple contracts

Revenue
Irish Tax & Customs

- **General rule**: Multiple contracts with a Sub that are not considered to be part of one ongoing relevant contract must be notified separately
- **Relaxation of this rule for 2012**: Principal may choose to notify one contract (this should include total estimated value of all contracts with the Sub) or they may notify each contract separately
- From **January 2013** onwards, multiple contracts (that are not part of one ongoing relevant contract) must be notified separately
- Visit the Revenue website for details

Preparing for the new system

What you need to do

Preparing for the new system

Revenue
Irish Tax & Customs

- Confirm whether you need to register for ROS
  - You must be registered for ROS unless your agent will undertake all RCT functions on your behalf
  - If you engage an agent/tax advisor/bookkeeper to perform any RCT functions on your behalf, they must be registered for ROS
- If you wish to continue using your in-house system for processing payments on relevant contracts to Subs, this will need to be compatible with the new RCT system

Registering for ROS

Revenue
Irish Tax & Customs

Step 1: Apply for your ROS Access Number (RAN)

Step 2: Apply for your Digital Certificate

Step 3: Retrieve your Digital Certificate

- If you require assistance, email roshelp@revenue.ie or contact the ROS Helpdesk at 1890 201 106
- For details of system requirements to use ROS go to: http://www.ros.ie/PublisherServlet/requirements
- The application process can take up to 10 working days to complete

Where to find more information

Revenue
Irish Tax & Customs

- Visit the Revenue website (select "RCT - Changes in 2012"):
  - Up-to-date information on new system, including FAQs
  - View the video of this presentation on the new system (link on website to You Tube) – available from 01/11/11
  - View the instructional videos on how to use the new system (link on website to You Tube) – available from 02/12/11
- For general queries email: eRCTInfo@revenue.ie
- For technical queries email: eRCT_tech_info@revenue.ie
- Legislation on the new system

Fundamentals of the new system

Revenue
Irish Tax & Customs

- Engaging with Revenue electronically - options
  - ROS online (RCT Service)
  - ROS offline application
  - Your in-house accounting system (if compatible with new system)
  - Whatever option(s) you choose, you must be registered for ROS
- Contract Notification
- Payment Notification
- Deduction Authorisation
- Deduction Summary --- Periodic Return

Revenue

New RCT System - engaging with Revenue

Information Sessions
October - November 2011