

# Revenue's Enhanced Reporting Requirements from 1st January, 2024

Updated January 2024



## What are the Enhanced Reporting Requirements?

Since the 1st of January 2024, the introduction of Section 897C of the Taxes Consolidation Act 1997 into The Finance Act 2022 requires employers to report details to Revenue of certain non-taxable payments made to employees. Revenue is calling this Enhanced Reporting Requirements (ERR).

Where employers make a tax-free payment for one or more of the expenses and benefits listed in this guide, they must submit the details electronically to Revenue. This submission must be made on or before the payment date.

It is important that you follow Revenue guidelines on expenses and benefits to work out whether tax needs to be deducted from employee payments, as exclusions and limits apply.

It should be noted that we're currently in phase one of ERR. Revenue has not yet indicated what will be included in future phases.

Visit the [Enhanced Reporting Requirements Hub](#) on our website to stay updated with the latest news on ERR.



# What types of expenses should be reported?

The three categories payments fall under which now need to be reported are: Travel and Subsistence, Small Benefit and Remote Working Daily Allowance.



## 1. Travel and Subsistence

When an employee (including directors) is required to travel on business journeys, the employer may choose to cover their travel and subsistence costs.

Travel costs may include covering the cost of flights, taxis, or public transport. Employers may also repay employees for use of their private cars, motorcycles, or bicycles, when used for business journeys.

An employee may also incur subsistence expenses if working away from their normal place of work, for example, accommodation and food expenses.

These are the types of travel and subsistence expenses which must be reported when a tax-free payment is being made:

- Travel Vouched
- Travel Unvouched
- Subsistence Vouched
- Subsistence Unvouched
- Eating on site
- Site based employees (includes "Country Money")
- Emergency Travel

'Vouched' expenses are those for which supporting documents or receipts are provided as evidence. 'Unvouched' expenses, on the other hand, are when there were no receipts or other supporting documents provided.

'Eating on site' and expenses related to site-based employees, are most common in the construction industry, and is where employees may be required to work at different sites or locations. Travel and subsistence may be paid tax free to a site-based employee, up to a certain amount, if they meet [Revenue's conditions](#).

### **What should be reported to Revenue for Travel and Subsistence payments?**

The amount of each payment and the payment date.

### **What happens if you choose not to reimburse employees for Travel and Subsistence expenses?**

If you choose not to reimburse your employee for these types of expenses, the employee may claim a tax deduction for any necessary travel and subsistence expenses incurred. They can do this by submitting a claim to their local Revenue office. When claims are made this way, they should be made after 31st December of the year that they were incurred.



## 2. Small Benefit

The next type of benefit you must report the details of to Revenue under ERR are referred to as small benefits.

Since January 2022, employers have been allowed to give employees up to two, tax-free, small benefits each year with up to a combined value of €1,000.

These benefits are usually given in the form of a voucher, which can be used to purchase

goods or services, or, it could be a tangible item. Small benefits cannot be redeemed for cash, and it is only the first two benefits given in a tax year that are tax exempt.

### **What should be reported to Revenue for Small Benefits?**

The value of the benefit and the payment date.



## 3. Remote Working Daily Allowance

The last tax-free expense you must report to Revenue under ERR is related to remote working. Employers may choose to pay employees an allowance towards expenses related to remote working. Up to €3.20 per day can be paid to the employee tax-free. Remote working expenses could include electricity, heat, telephone and broadband.

### **What should be reported to Revenue for Remote Working Daily Allowance?**

For each employee you are paying a Remote Working Daily Allowance to, you are required to report the total of number of days they are receiving the allowance for, the amount paid, and the payment date.





## Why does Revenue require this information?

Revenue is asking for this information because they want to improve their system for monitoring and intervening in cases where employers may not be following the rules. By collecting this data, they can allocate their resources more efficiently, focusing on employers who may not be

compliant with tax regulations. This will help them make better decisions when it comes to policies related to finance and provide more transparency and reassurance for employees regarding payments that are not subject to taxes.

## Are there any penalties for non-compliance?

As with any new requirement, ERR will take some time for employers to get used to. To give you time to get to grips with ERR, it has been confirmed by Revenue that a 'service for compliance approach' will be taken until the 30th of June 2024. This approach will involve Revenue supporting employers who are attempting to comply with their reporting obligations. During this period, Revenue will not be operating any compliance programmes in relation to ERR, and will not seek to apply any penalties for non-compliance.

To avoid any penalties for non-compliance from June onwards, it's important that these first six months are used to make sure you are complying with ERR.

For the coming months, we will continue to support you with webinars to keep you informed about any additional requirements or changes that may impact your business.



# How will this information be reported to Revenue?

Through ROS, you can manually submit ERR payment details.

ERR made easy with



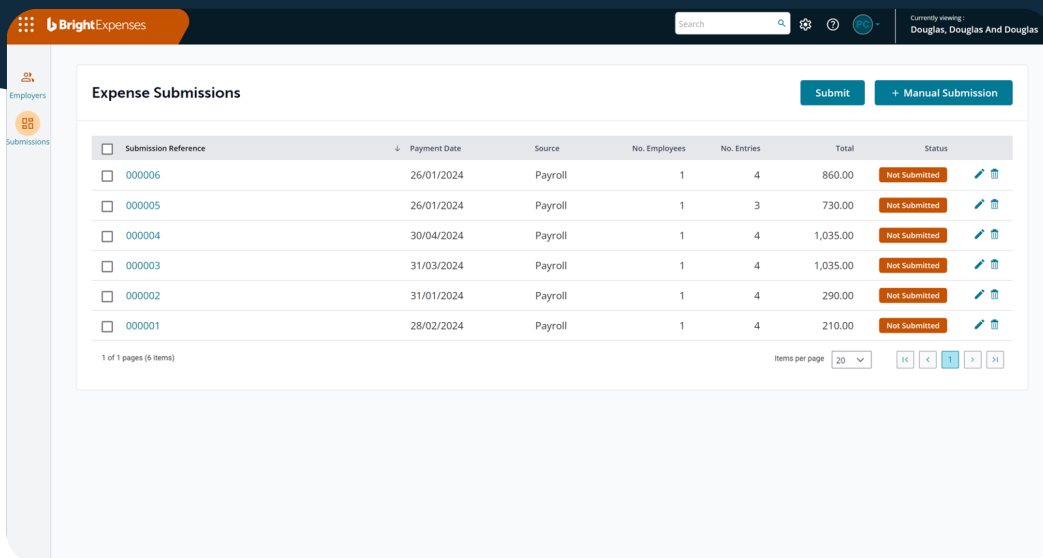
Another option when submitting ERR information to Revenue is to use [BrightExpenses](#). BrightExpenses is a system that we at Bright have developed for ERR, and is available for BrightPay, Thesaurus Payroll Manager and Surf Payroll users only. BrightExpenses is completely free for the 2024 tax year.

With BrightExpenses, ERR submissions can be made as seamlessly as possible. It offers an alternative to Revenue's manual system and can help save you time and provide more accuracy when reporting. With BrightExpenses, we also provide guidance to users in relation to qualifying criteria and backup documentation required in the event of a query by Revenue.

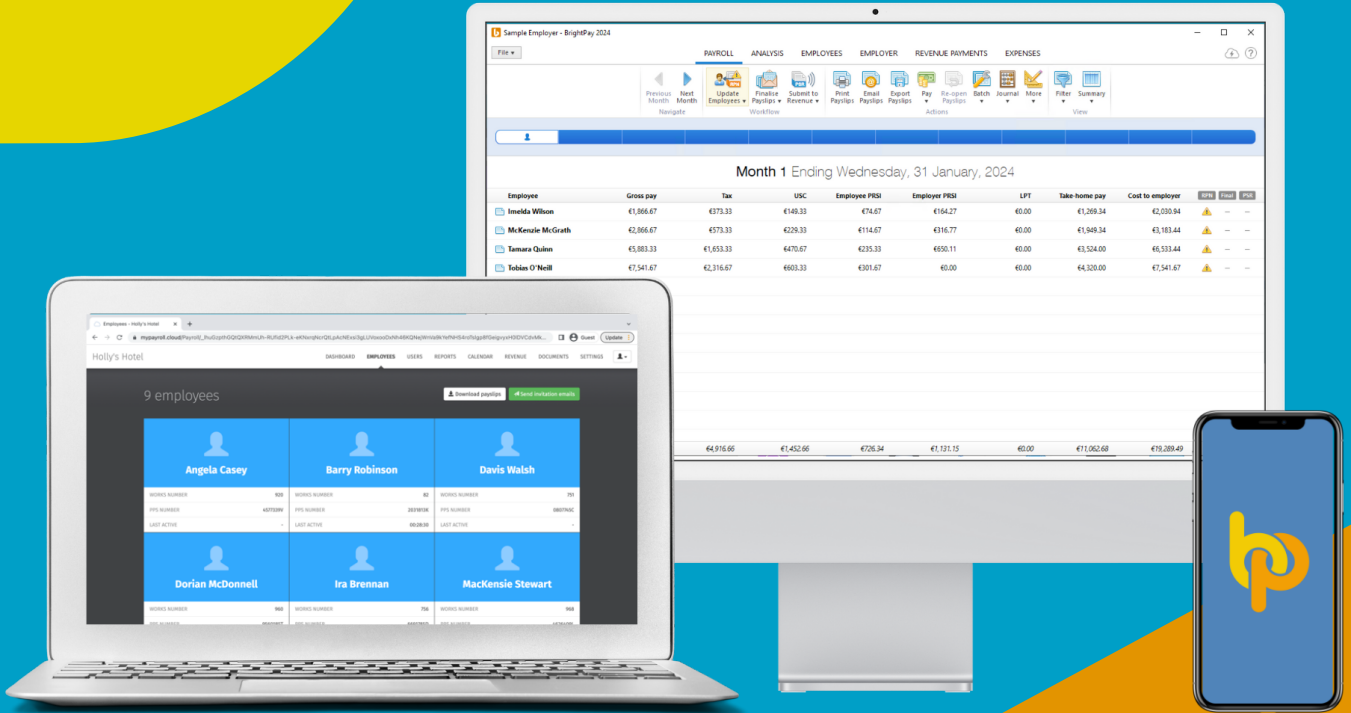
BrightExpenses is integrated with Bright's payroll solutions, BrightPay, Thesaurus Payroll Manager and Surf Payroll. This means that any non-taxable expenses which fall under ERR can be inputted to the payroll software and can then be sent directly to BrightExpenses. BrightExpenses is also integrated with Revenue and so this information can then be sent from BrightExpenses, directly to ROS.

For any non-payroll expenses, these can be submitted manually to BrightExpenses, and then the information can be sent directly to ROS.

Learn more about [BrightExpenses](#).



Screen from BrightExpenses



# Bright Pay

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