[insert date here]

**LETTER OF ENGAGEMENT**

Thank you for the courtesy extended to [insert Bureau name here] (for the purposes of this Letter and/or the Addendum "[insert Bureau name here]" or "we" or "us") for our continuing appointment as the payroll agents to your business. (for the purposes of this Letter and/or the Addendum "the Company" or "you").

[insert Bureau name here] will carry out the services detailed below on the terms set out in this letter and the attached Addendum (together referred to as our "Terms") and on the basis that you will make and will continue to make throughout [insert Bureau name here]’s appointment, full disclosure to us of all relevant information. Please refer to the Addendum to this letter for further details.

The purpose of this letter is to set out the basis on which we are engaged to compile payroll and calculate PAYE/PRSI/USC liabilities as your agents and the respective responsibilities of yourselves and us.

1. **Responsibilities of the accountants**

We shall compile the payroll based on the records provided by you and the information and explanations given to us by you.

We have agreed as your agents to prepare in respect of the payroll; payroll summary reports, payslips and statements of liabilities in accordance with the provisions of the Taxes Acts. Subject to your approval this will be submitted to the Revenue Commissioners.

We will be responsible, unless otherwise agreed for all returns relating to employee taxes under PAYE/PRSI/USC legislation in Ireland.

We undertake this work on the basis that you will make full disclosure to us of all relevant information.

1. **Responsibilities of the client**

In order to maintain your payroll records and to produce reports as required by payroll regulations, we will require from you sufficient detailed and accurate payroll and HR information in advance of date of payment to employees to enable us to process and operate PAYE Modernisation on a timely basis. You should be aware that failure to provide us with the necessary information in a timely fashion may result in a delay in the processing of payroll and potential penalties.

See addendum for further details of services and responsibilities

1. **Fees**

Our fees are based upon the skill involved and the time occupied on the work and will be charged for each class of work. They will be billed at appropriate intervals during the course of the year and will be due on presentation.

1. **Criminal Law**

Where, in the course of conducting professional work, it comes to the attention of certain relevant persons (as defined) that information or documents indicate that an offence may have been committed under Section 59 Criminal Justice (Theft and Fraud Offences) Act 2001; we may have a reporting responsibility to the Garda Siochana. This applies regardless of the apparent materiality of the suspected offence or whether the suspected offence has already been reported to the relevant authority.

1. **Anti-Money Laundering**

The provision of audit, accounting and taxation services are businesses in the regulated sector under the Criminal Justice Act 1994 (Section 32) Regulations 2010 and as such partners and staff in audit accounting and taxation firms are required to report all knowledge or suspicion or reasonable grounds to know or suspect that a criminal offence giving rise to any direct or indirect benefit from criminal conduct has been committed regardless of whether that offence has been committed by their client or by a third party. If as part of our normal work we have knowledge or suspicion or have reasonable grounds to know or suspect that such offences have been committed we are required to make a report to the Gardai and the Revenue commissioners. In such circumstances it is not our practice to discuss such reports with you because of the restrictions imposed by the tipping off provisions of the anti-money laundering legislation.

1. **Client Identification**

As with other professional services firms we are under stringent requirements to identify our clients for the purpose of the anti-money laundering legislation. We are likely to request from you and retain some information and documentation for these purposes and/or to make searches of appropriate database. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which we are not able to proceed with the audit appointment.

1. **Accounting and other services**

We shall be pleased to provide, if requested, other services such as,

* + General advice on financial matters
	+ Reports in support of returns or claims e.g. Government grants
	+ Reports for special purposes e.g. raising finance
	+ Taxation Services

In providing the agreed services for you, our relationship will be that of professional persons and client save where we are instructed to negotiate tax liabilities with the Revenue Commissioners. Consequently, in producing the tax workings of your return any working papers including nominal ledger which we bring into existence for this purpose shall remain the property of this firm.

1. **Applicable Law**

This engagement letter shall be governed by, and construed in accordance with, Republic of Ireland Law. The courts of the Republic of Ireland shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those courts do not have jurisdiction.

1. **General Data Protection Regulation (GDPR) (EU) 2016/679**

We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under this engagement letter, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance. "personal data" shall mean any information relating to an identified or identifiable natural person ('data subject'); an identifiable person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his or her physical, physiological, mental, economic, cultural or social identity. For information in regards to your rights under the General Data Protection Regulation (GDPR) (EU) 2016/679 and our privacy policy as available on our website.

1. **Agreement of Terms**

Where applicable, this letter supersedes any previous engagement letter and Terms for the period covered. This letter and our Terms cannot be varied unless otherwise agreed in writing by [insert Bureau name here]. Our engagement to act on your behalf will continue until either of us terminates the engagement by giving not less than 30 days prior written notice to the other. You will be responsible for payment of all of our fees accrued to the date of termination, together with any additional costs and fees reasonably incurred as a result of such termination. Once it has been agreed this letter will remain effective until it is replaced.

Yours faithfully,

Signed

For and on behalf of [insert Bureau name here]

I acknowledge receipt of this letter and Addendum, which fully records the agreement between us in relation to your appointment to carry out the work described in it.

Signed

For and on behalf of [insert client name here]

Date:

**ADDENDUM**

The purpose of this addendum is to set out the basis on which we are to act as accountants, and advisers and our respective responsibilities and to supplement the Letter of Engagement.

We will provide our professional services outlined in our engagement letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax or other liabilities arising from the supply by you or others of incorrect or incomplete information, or of your or others' failure to supply any appropriate information in a timely manner or your failure to act on our advice or to respond promptly to communications from us or the tax or other authorities.

**Payroll**

We will maintain your payroll records as described below.

* Preparation of your payroll in accordance with instructions from you to ensure the timely authorisation, transfer of funds and execution of the payroll and compliance with Revenue filings
* Preparation and remittance of payslips to you/your employees
* Review and process monthly statements from Revenue and attend to other requirements in relation to PAYE (Pay as You Earn) under the new PAYE Modernisation Regulations and ensure all tax submission deadlines are met
* All records will be maintained on BrightPay or Thesaurus Payroll Manager

You are responsible for ensuring that any individual employed or engaged by the business is entitled to work in the ROI without any additional approvals.

The business if operating as a company should take tax advice from its tax advisers regarding the granting of stock options, stock awards, and share purchase schemes, and in particular the applicability of a PRSI election or Agreement. The Company is responsible for the proper documentation and management of all schemes in particular for the creation, administration, maintenance, awards, and tax elections. In the event that share options are exercised, stock awards are made, or shares are purchased through a share purchase scheme the Company must advise [insert Bureau name here] as soon as the transactions take place and additionally whether each transaction is covered by a PRSI election or Agreement, to enable [insert Bureau name here] to process these transactions correctly through the payroll system.

[insert Bureau name here]’s instruction in relation to payroll services is (save as expressly agreed otherwise by [insert Bureau name here] in writing) is limited to the above and we do not provide advice on (including but without limitation) employment law rights and obligations.

**PAYE Modernisation**

We strongly advise that -

* You agree gross pay terms with your employees rather than net pay arrangements as total gross cost of net pay arrangements can change regularly throughout the payroll year.
* If employees are currently paid by standing order, we recommend you cancel this arrangement and pay by EFT once the payroll has been calculated and finalised. Net Pay due to employees can change each pay period depending on the RPNs (previously P2C – tax credits and cut off for employees) notified to us from Revenue when we process the payroll.
* Directors of Limited Companies need to be aware that if their use of credit cards or company funds exceeds their directors loan balance, the amounts need to be included as part of their weekly/monthly pay and such use of funds needs to be notified to us in advance to comply with PAYE Modernisation regulations.
* Regularly check BIK calculations.

**Recurring compliance work**

We will prepare your payroll for each payroll period to meet ROI employment tax requirements, specifically:

* Calculating the Pay As You Earn (PAYE) deductions
* Calculating the employees' PRSI deductions
* Calculating the employer's PRSI liabilities
* Calculating the employees' Universal Social Charge Contributions (USC) deductions
* Calculating other statutory and non-statutory deductions
* Submitting information online to Revenue through ROS for PAYE Modernisation
* We will prepare and send to you the following documents before the time of payment through the payroll or due date for delivering information to Revenue
* Payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals
* The data included within each Payroll Submission Request (PSR) for taxable pay and taxable benefits for each employee
* A payslip for each employee unless not required
* A report showing your PAYE/PRSI/USC liability
* We will submit PSRs online to Revenue after the data to be included therein has been approved by you. (PSRs must reach Revenue on or before payday to employees

**Other work**

We will deal with any online secure messages sent to us by Revenue in respect of your payroll.

**Ad hoc and advisory work**

We will also provide such other taxation ad hoc and advisory services as may be agreed from time to time. These may be the subject of a separate engagement letter, at our option. Where appropriate we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work include:

* Dealing with any enquiry opened into the payroll returns by Revenue
* Preparing any amended returns for periods before you report in real time which may be required and corresponding with Revenue as necessary
* Where specialist advice is required on occasions, we may need to seek this from or refer you to appropriate specialists

**Your responsibilities**

You are legally responsible for:

* ensuring that the data in your payroll submissions are correct and complete.
* making any submissions by the due date; and making payment of payroll tax liabilities on time.
* failure to do this may lead to automatic penalties, surcharges and/or interest. Employers cannot delegate this legal responsibility to others. You agree to check that submissions we have prepared for you are correct and complete before you approve them.

**To enable us to carry out our work you agree:**

* that all information required to be delivered online is submitted on the basis of full disclosure
* to provide full information necessary for dealing with your payroll affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents
* to agree with us the names of the persons authorised by you to notify us of changes in employees and in rates of pay for employees. We will process the changes only if notified by those individuals
* to advise us in writing of changes of payroll pay dates

* to notify us at least three working days prior to the payroll date of all transactions or events which may need to be reflected in the payroll for the period, including details of
* all new employees (including full names, address, date of birth, PPS number and details of their remuneration packages
* all leavers (including deaths of employees) and details of termination arrangements
* all remuneration changes
* all pension scheme changes
* any BIK details
* irregular and/or ad hoc payments such as option exercises and the dates to be paid
* to keep us informed of material changes in circumstances that could affect the payroll of the business. If you are unsure whether the change is material or not please let us know so that we can assess the significance or otherwise.
* to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affair
* to approve PSRs sent to you within 24 hours and prior to payroll pay dates so that they can be submitted on or before payday, or as agreed with us.
* You must only pay the employees the amount as per the payroll report on or after the day the PSR is submitted to Revenue

If the information required to complete the payroll services set out above is received later than the times specified above or agreed with us, we will still endeavour to process the payroll and returns to meet the agreed payroll date but we will not be liable for any costs or other losses arising if the payroll is late or the returns are filed late in these circumstances.

**Forms P11D (expenses and benefits)**

We will complete forms P11D for all employees for approval and submission by you to Revenue. You will supply the form P11D information to your employees by the due date.

There are penalties for the late submission of and incorrect information on form P11D. You agree to supply us with complete and accurate details of all benefits and reimbursed expenses paid to or on behalf of employees for the tax year (not the accounts year) within 30 days of the end of that year.

**Professional rules and practice guidelines**

We will observe the Bye-laws, regulations and ethical guidelines of the [insert accounting body here] and accept instructions to act for you on the basis that we will act in accordance with those guidelines. Copies of these requirements are available for your inspection in our offices.

**Client monies**

We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of the [insert accounting body here] in Ireland. All client monies will be held in a non-interest-bearing account

**Retention of records**

During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following preparation of your payroll. You should retain them for 6 years following the end of the accounting year.

Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we think may be of continuing significance. You must tell us if you require retention of any document.

**Conflicts of interest and independence**

You agree that we may reserve the right to act during this engagement for other clients whose interests are or may be conflicting to yours, subject to the clause below. We confirm that we will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to the Company.

**Confidentiality**

We confirm that where you give us confidential information, we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to our engagement.

You agree that it will be sufficient compliance with our duty of confidence for us to take such steps as we in good faith think fit to preserve confidential information both during and after termination of this engagement.

**Data Protection Act (GDPR)**

For accounting and taxation services where the firm is acting as Data Controller. To enable us to discharge the services agreed under this engagement, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about the business/partnership, its officers and employees. We confirm when processing data on your behalf we will comply with the relevant provisions of the Data Protection Act.

For accounting, taxation and payroll services where [insert Bureau name here] are acting as Data Processor: To enable us to discharge the services agreed under this engagement, you acknowledge that in certain circumstances when processing personal data (including sensitive personal data) in line with your instructions and on your behalf, we will be acting as a Data Processor under the Data Protection Act. In these circumstances you warrant that you have complied with, and will continue to comply with, your obligations as a Data Controller under the Act and agree to indemnify us against all costs, claims and losses for which we may become liable as a result of your failure to comply with your obligations as a Data Controller.

**Communicating with you**

Email may be used to enable us to communicate with you. As with other means of delivery this carries with it the risk of inadvertent misdirection or non-delivery. It is the responsibility of the recipient to carry out a virus check on attachments received. Internet communications are capable of data corruption, we do not accept any responsibility for changes made to such communications after their dispatch. It may therefore be inappropriate to rely on advice contained in an email without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to the Company are borne by you. If you do not accept this risk, you should notify us in writing that email is not an acceptable means of communication.

**Limitation of liability**

You acknowledge that [insert Bureau name here]’s obligations and liabilities are exhaustively defined in this Addendum.

We will provide our professional services outlined in this letter with reasonable care and skill. However, we will not be liable for any losses, costs or expenses of any nature arising from the supply by you or others of incorrect or incomplete information or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities. We will also not be liable for any losses, costs or expenses arising directly or indirectly from any fraudulent or negligent act or omission on your part or by your directors, partners, employees or agents.

[insert Bureau name here] shall not be liable for any indirect or consequential loss, expense or damage (whether for loss of profit, loss of business, depletion of goodwill or otherwise), costs, expenses or other claims for consequential compensation whatsoever (howsoever caused) which arise out of or in connection with the provision of professional services outlined in this Addendum and/or the Letter of Engagement.

Nothing in this clause excludes or limits our liability for death or personal injury caused by our negligence or by any of our employees or directors for fraud or fraudulent misrepresentation. [insert Bureau here]’s total liability, whether in contract, tort (including negligence or

breach of statutory duty) misrepresentation, restitution or otherwise, arising in connection with the provision of professional services outlined in this Addendum and the Letter of Engagement shall be limited to a sum equal to ten times the annual fees charged by [insert Bureau name here] in respect of the services, subject always to the condition that [insert Bureau name here] liability shall never exceed the level of insurance cover that [insert Bureau name here] has in place from time to time in respect of the claim or matter giving rise to [insert Bureau name here] liability.

You agree to hold harmless and indemnify [insert Bureau name here] and/or its staff, against any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement or the services provided under it. You agree that you will not bring any claim in connection with services provided to you by us against any of our employees, directors or consultants on a personal basis.

Any claim which you believe you have against us must be notified in writing to us as soon as reasonably practicable after you become aware, or ought reasonably to have become aware, of the facts or circumstances giving rise to such claim ("the relevant date"). Legal proceedings in relation to a claim may not be instituted later than 12 months after the relevant date.