

INPATRIATES

Ireland

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

Individuals become resident in Ireland if they are present in Ireland for 183 days or more during a tax year. Or if they are present in Ireland for 280 days or more over a period of two consecutive tax years, they will then be regarded as resident in the second tax year. However, the 280 day test will not apply in any tax year, if the individual is present in Ireland for 30 days or less in that tax year.

An individual is regarded as present in Ireland if he/she is present for any part of a day.

Therefore, days of arrival and days of departure are included. An individual that may also be regarded as tax resident in another country may qualify for a measure of relief or exemption from Irish tax under the Double Taxation Agreement between that country and Ireland.

An individual who is resident and domiciled in Ireland is liable to tax on their worldwide income/gains. An individual who is resident but not domiciled in Ireland is taxed on Irish source income, foreign employment income to the extent that the duties are carried out in Ireland, and other foreign income/gains to the extent that it is remitted to Ireland. Non-resident individuals are liable to tax on Irish source income only.

Where a non-resident employee from a DTA country performs incidental duties in Ireland and performs those incidental duties for no more than 60 workdays in aggregate in a tax year, PAYE need not be deducted in respect of income attributable to such duties. If the number of workdays exceeds 60 days, payroll taxes may need to be operated.

A Special Assignee Relief Programme (SARP) is available to international assignees subject to meeting certain conditions.

REGISTRATION/FORMALITIES

When the individual arrives in Ireland, he/she must obtain a Personal Public Service (PPS) number. The Individual must attend the Department of Social Protection/Intreo office closest to where they stay in order to apply for this number.

Once the individual obtains a PPS number, they must register with the Irish Revenue using the MyAccount facility.

Application for Tax Credits

He/she must apply to the Irish Revenue Authorities for a determination of his/her tax credits and tax rate bands that will apply to his/her emoluments that are within the scope of the PAYE system by registering their job with the Irish Revenue using the new Revenue's "Jobs and Pensions Service".

Work Permit

Assignees require a work permit/visa in order to carry out their duties of employment in Ireland and will need to register with the Garda National Immigration Bureau (GNIB) upon arrival.

INCOME TAX RATES

Income tax rates are currently 20% and 40%.

The Universal Social Charge (USC) is charged at rates of up to 8% on total income. Surcharge of 3% applies to non PAYE/Employment Income.

Where an Individual is on assignment to Ireland, their foreign employer is required to deduct Irish payroll withholding tax under the Pay As You Earn (PAYE) System on all employment income unless a specific exemption is available.

If an individual is resident in Ireland for the tax year they arrive and they intend to be resident in Ireland for the following tax year, employment income earned before their arrival date will not be taxable in Ireland (Split Year Residence Relief).

SOCIAL TAX RATES

Individuals may be liable to PRSI (Social Insurance) at 4%.

The Social Security system in Ireland is known as the Pay Related Social Insurance (PRSI) system.

Where PRSI applies to employment income, it is deducted by the employer through the payroll system.

There are three distinct groups of countries which affect the individual's liability to Irish social security contributions. These are EU/EEA country, Bilateral Agreement country and Non EU/Non-bilateral country.

An individual's liability to Irish social security will depend also on such factors as the length of the individual's assignment to Ireland, the Individual's country of origin and the country in which the employer is situated.

For further information and to register for future updates contact expat@bdo.global

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