

IRELAND

As per 1 January 2018

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Tax rate	Standard income tax rate: 20%, Higher income tax rate: 40% (Income above €34,550 for single person, or income above €43,550 for a married couple with one income). USC charged as follows: First €12,012 @ 0.5%, Next €7,360 @ 2%, Next €50,672 @ 4.75%, Balance @ 8% (Non-PAYE income in excess of €100,000 is subject to a USC surcharge of 3%).
Tax period	Calendar year.
Tax residency / Domicile according to domestic law	There are two tests of tax residency: a) 183 days in Ireland during a tax year, b) 280 days over the course of two years, with at least 30 days present in Ireland in either year. Ordinary resident: An individual will be considered ordinarily resident after three consecutive years of tax residence in Ireland. Domicile: This is a common law concept that will impact on an individual's charge to Irish tax, specifically their entitlement to claim the remittance basis of tax. An individual may have an Irish domicile if they hold either a: 1) Domicile of Origin; 2) Domicile of Choice, 3) Domicile of Dependency.
Tax registration	This is required.
Employment income definition	Any remuneration, benefit in kind or perquisites received as a reward for services rendered under a contract of employment.
Examples of tax exemption	Reimbursement of correctly documented business expenses, removal or relocation expenses and subsistence costs for temporary assignees.
Specific expatriate concession	Special Assignee Relief Programme (SARP): If the qualifying conditions are met, 30% of the individuals' employment income in excess of €75,000 is exempt from income tax.
Income of board members	This income is taxable in Ireland, regardless of their residence position, where the income arises from an Irish 'office.'
Tax returns	A self-assessed taxpayer is required to file a self assessment Form 11 tax return by 31 October in the year following the relevant tax year. An employee with income subject to PAYE withholdings is required to submit a Form 12 tax return only if they have additional sources of income, or if they are requested to file a Form 12 return by Revenue.
Tax payments	This must be paid on or before the 31 October in the year following the year of assessment. Self-assessed taxpayers are also required to pay Preliminary Tax for the current year on or before the due date for submitting a return.

TAX TREATIES

Employment income / income from board members	Ireland has an extensive range of double tax treaties (approximately 92), which are generally modelled on OECD guidelines.
--	--

INTERNATIONAL SOCIAL SECURITY

Cross border employments	Governed by EU social security regulations or bilateral social security agreements between Ireland and another country.
Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71	Yes, these rules are applied.
Social Security Cost as % from gross salary and absolute amounts	Social security contributions are payable under the Pay-Related Social Insurance (PRSI) system. The amount of PRSI contributions payable depends on earnings and the classes under which the individual is insured. There are 11 different classes, and a number of subclasses. Most employed individuals' pay 4% PRSI annually on their employment income (employee rate) under class A1. The employer contribution rate is 10.85% per annum.

IMMIGRATION

Work permit	Swiss, EU and EEA nationals do not require a permit to work in Ireland. Other foreign nationals need to obtain a work permit.
Visa	Swiss, EU and EEA nationals do not require a visa to enter Ireland, nor do US nationals. Other nationals require a visa to enter the country.
Residency permits / registration certificate	Non-EU / EEA and non-Swiss citizens must obtain an Irish Residence Permit (IRP), which is a registration certificate.
Driving license	Driving licences issued in other EU, EEA countries, or the US are recognised in Ireland. Drivers may apply to exchange their foreign licence for an Irish driving licence.
STOCK OPTION PLAN	Stock option gains are liable to Irish income tax, USC and employee PRSI contributions. The tax treatment of stock option gains for mobile employees follows OECD sourcing principles.

ARTICLE 15 OF THE OECD MODEL

183 days	Yes
Notion of employer	Economic
Existence of a permanent establishment	Yes

Ken Killoran

Tax Director

Send Email

Direct line: +353 (0)1 449 4451

Address: Block 3, Harcourt Centre, Harcourt Road, Dublin 2.

www.mazars.ie (<http://www.mazars.ie>)