EXPATRIATES
Ireland
Tax facts for international assignees

INCOME TAX: WHO IS LIABLE

An individual is not resident if he/she is present for less than 183 days in Ireland in a tax year or if he/she is present in Ireland for less than 280 days over a period of two consecutive tax years. 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 that 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.

A non-resident individual is only taxable on income from Irish sources and he/she must file an Irish Tax Return where he/she is in receipt of Irish source income.

BREAKING RESIDENCY - EXIT PROCEDURES

There are no special procedures on leaving Ireland. However, an individual leaving Ireland after a temporary assignment should notify the Irish Revenue Authorities of their departure.

Where an individual leaves part way through the year the individual's employer will provide him/her with a P45 which shows their earnings and the tax deducted to date.

If the individual is in receipt of income after the date of departure, but it relates to duties carries out in Ireland, then the income will be taxable in Ireland.

If an individual is resident in Ireland in the tax year they leave and is non-resident for the following tax year, they will be deemed to be non-resident in Ireland from their departure date. This means that any employment income earned after that date will be exempt from Irish tax (Split Year Residence Relief).

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 in excess of €100,000.

SOCIAL TAX RATES

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

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

If the Individual is assigned to an EU/EEA country, he/she will remain in the Irish PRSI system provided he/she obtains an A1 Certificate. The length of time the individual remains on the Irish PRSI system depends on whether the assignment is a long or a short term assignment.

If the individual is assigned to a country in which Ireland has a bilateral agreement, the individual can remain on the Irish social security system provided he/she has obtained a certificate of coverage. The length of time the individual remains on the Irish PRSI system depends on whether the assignment is a long or a short term assignment.

If the individual is assigned to a Non EU/EEA country, then usually he/she will remain on the Irish social security system for a period of 52 weeks. The individual may also be liable to social security in the foreign location.

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

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