

ARE YOU COMING TO WORK IN IRELAND FROM THE UK? GUIDE FOR INDIVIDUALS OR EMPLOYEES COMING TO WORK IN IRELAND FROM THE UK

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This is a brief guide to Income Tax in Ireland and it is recommended that you obtain professional taxation advice in connection with your assignment in Ireland.

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**COMING TO WORK IN IRELAND
RESIDENCY RULES**

RESIDENCY RULES EXPLAINED	Test of Residence
<p>Residence:</p> <p>Your residence status for Irish tax purposes is determined by the number of days you are present in Ireland during a given tax year.</p> <p>You will be regarded as present in the State for any day if you are present therein at any time during the day.</p>	<p>You will be resident in Ireland if you are present in the State for:</p> <ul style="list-style-type: none"> (a) 183 days in Ireland for any purpose in the tax year in question OR (b) 280 days or more for any purpose over a period of two consecutive tax years - you will be regarded as resident in Ireland for the second tax year <i>(periods of presence that do not exceed 30 days are disregarded)</i>. <p><u>Option to Elect to be tax resident in the State</u> If you would not be tax resident in the year of arrival under the normal tests, you may elect to be tax resident for the year of arrival (it is unusual to make this election and certain conditions apply).</p> <p>It is recommended that you keep a detailed travel log recording all days in and out of Ireland (including travel tickets and/or other proof of travel).</p> <p>OSK can advise on whether or not you will become resident in Ireland; your liability to taxes in Ireland and advise on what allowances and reliefs are available.</p>
<p>Becoming ordinarily resident:</p>	<p>The term ordinary residence refers to an individual’s pattern of residence over a number of tax years.</p> <p>You will become ordinarily resident in the State for a tax year if you have been resident in the State for the previous three consecutive tax years. You will become ordinarily resident for the fourth year regardless of whether or not you are actually resident in the fourth year.</p>
<p>Ceasing to be ordinarily resident:</p>	<p>You will cease to be ordinarily resident once you have three consecutive years of non-residence. You will become not ordinarily resident from the fourth year.</p>

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<p>Domicile:</p> <p>Domicile is a concept of general law which is relevant for certain tax purposes.</p> <p>Apart from having a residence for tax purposes, you will also have a domicile which may, or may not, be in the same country as that of your residence.</p> <p>The concept of domicile is a much more permanent one than that of your residence. Its primary relevance to income tax is in relation to the tax treatment of certain foreign source income of an individual who is resident but not domiciled in the State.</p>	<p>Under Irish law every individual is regarded as acquiring a domicile of origin on his birth – this is the domicile of his father (unless either his father had died before his birth or he was an illegitimate child – in which case he takes the domicile of his mother).</p> <p>Your domicile may change either by your father acquiring a domicile of choice while you are still a minor or by you acquiring a domicile of choice when you come of age.</p>
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COMING TO WORK IN IRELAND

How do residence, ordinary residence and domicile affect my tax treatment in Ireland

Your residence, ordinary residence and domicile status	Extent of your liability to Irish tax (see note 1)
Resident, ordinarily resident and Irish domiciled.	Taxable on all Irish and foreign sourced income in full (i.e. worldwide income), with possible tax credit for foreign tax paid on foreign source income assessable here.
Not resident, ordinarily resident and Irish domiciled.	Taxable on all Irish and foreign sourced income in full. However income from the following sources is exempt from tax: <ul style="list-style-type: none"> Income from a trade, profession, office or employment, all the duties of which are exercised outside Ireland; and Other foreign income, e.g. investment income, provided that it does not exceed €3,810 in the tax year in which it is earned.
Not resident, ordinarily resident and not Irish domiciled	Taxable on Irish sourced income in full and taxable on remittances of certain foreign sourced income. However income for the following sources is exempt from tax: <ul style="list-style-type: none"> income from a trade, profession, office or employment, all the duties of which are exercised outside Ireland; and Other foreign income, e.g. investment income, provided that it does not exceed €3,810 in the tax year in which it is earned.
Resident and ordinarily resident but not domiciled in Ireland.	Taxable on Irish sourced income in full and taxable on remittances of certain foreign sourced income. Taxable on foreign employment income to the extent duties of employment performed in the State.

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Resident and domiciled but not ordinarily resident	Taxable on all Irish and foreign sourced income in full (i.e. worldwide income), with possible tax credit for foreign tax paid on foreign source income assessable here.
Not resident, not ordinarily resident and not Irish domiciled	Taxable on Irish sourced income in full and taxable on foreign sourced income in respect of a trade, professional or employment exercised in Ireland.

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SOME CREDITS AND RELIEF'S AVAILABLE

Credits/Relief	Explanation
<p><u>Double Tax Relief</u> If tax is charged in a country with which Ireland has a double taxation agreement you will be given relief as specified in the relevant agreement</p>	<p>This is normally provided by either <u>exempting</u> the income from tax in one of the countries or by <u>crediting</u> the foreign tax paid against your Irish tax liability on the same income.</p>
Personal Tax Credit	The single person's tax credit is €2,000 for 2026; the married couple's tax credit is €4,000.
Employee Tax Credit	The employee tax credit (PAYE credit) is €2,000. However, this is not available to proprietary directors (director's owning 15% or more of the voting shares in his/her company)
What is a tax year?	The tax system in Ireland operates on a calendar year basis, so a tax year runs from 1 st January to following 31 st December
Taxation of Married Couples	<p><u>One spouse resident</u> Where only one spouse is resident in the State, that spouse is treated for tax purposes as if unmarried. However, where Revenue are satisfied that the non-resident spouse has no income, the couple may be taxed as a married couple (this will afford them higher personal tax credits and higher standard rate tax band)</p> <p><u>Both spouses resident</u> Where both spouses are resident here for tax purposes, the couple may elect to be taxed as single individuals or they may be assessed jointly (where one spouse is assessable on the income of both spouses).</p>
Split year residence	Split year residence can in certain circumstances exempt from taxation in Ireland employment income earned prior to arrival in Ireland and employment income earned following departure from Ireland.
Removal and Relocation Expenses	The payment or reimbursement of certain removal/relocation expenses, incurred by an employee in moving house to take up employment, may be made free of tax by an employer. The

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	<p>employer must ensure that the following conditions are satisfied:</p> <ul style="list-style-type: none"> • The reimbursement to the employee or payment directly by the employer must be in respect of removal/relocation expenses actually incurred, • The expenses must be reasonable in amount, • The payment of the expenses must be properly controlled, • Moving house must be necessary in the circumstances
<p>Removal and Relocation Expenses: Examples</p>	<p>Expenses which, can be reimbursed free of tax, are those incurred directly as a result of the change of residence and include such items as:</p> <ul style="list-style-type: none"> • Auctioneer's and solicitor's fees and stamp duty arising from moving house, • Storage charges, • Travelling expenses on removal. <p>With the exception of any temporary subsistence allowance, all payments must be matched with receipted expenditure. The amount reimbursed or borne by the employer may not exceed expenditure actually incurred.</p>

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CONTRACTING IN IRELAND THROUGH YOUR UK COMPANY

Foreign Employer	Obligation to operate PAYE
<p>Working for a foreign employer and the duties of the employment are carried out in the State</p> <p>For example if you are a director of a UK company and you are coming to work in Ireland on a contract basis and you intend to continue contracting through your UK company</p>	<p>Income from a non-Irish sourced employment, attributable to the performance in the State of the duties of that employment, is chargeable to Irish income tax and is within the scope of the Pay As You Earn (PAYE) system of deductions at source.</p> <p>Income of a non-Irish sourced employment, attributable to the performance outside the State of the duties of that employment, whilst it may be chargeable to Irish tax in the hands of the employee, is not within the scope of the Pay As Your Earn (PAYE) system of deductions at source.</p>
Foreign Employer	Obligation to Register for PAYE
<p>Working for a foreign employer and the duties of the employment are carried out in the State</p> <p>For example if you are a director of a UK company and you are coming to work in Ireland on a contract basis and you intend to continue contracting through your UK company</p>	<p>It is necessary for you to register your company as an employer, for PAYE purposes, with the Irish Revenue Commissioners.</p> <p>If an employer pays income which is within the scope of the PAYE system but fails to register for that purpose, the Revenue Commissioners may compulsorily register the employer, estimate the tax due and seek payment of the amount of deductions the employer should have made under the PAYE system.</p> <p>You will be required to file monthly employer payroll returns with the Revenue.</p>
Temporary Assignees	<p>The Revenue Commissioners do not require an employer to operate the Irish PAYE system in respect of temporary assignees. The following criteria must be satisfied:</p> <ul style="list-style-type: none"> (a) You must be resident in a country with which the State has a double tax agreement; (b) You must not be resident in the State for tax purposes for

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	<p>the relevant tax year;</p> <ul style="list-style-type: none"> (c) You must have a genuine foreign office or employment; (d) You must not be paid by, or on behalf of, an employer resident in the State; (e) The cost of the employment is not borne, directly or indirectly, by a permanent establishment in the State of the foreign employer; and (f) The duties of that office or employment are performed in the State for not more than 60 working days in total in a year of assessment and, in any event, for a continuous period of not more than 60 working days. For this purpose a 'working day' is any day in which any work is performed in the State.
<p>Temporary Assignees</p> <p>Simultaneous deductions under the Irish PAYE system and under a tax deduction system of another jurisdiction</p>	<p>If you are a temporary assignee and you meet certain conditions the Revenue Commissioners will not require your employer to operate the Irish PAYE system in respect of such temporary assignees who have income attributable to the performance in the State of the duties of a foreign employment where the following conditions, in addition to those outlined above from (a) to (e) are met:</p> <ul style="list-style-type: none"> (i) The foreign employer must be registered in the State as an employer for PAYE purposes; and (ii) The employee will be present in the State for a period or periods not exceeding 183 days in the aggregate in a year of assessment (iii) The employee suffers withholding tax at source in the 'home' country on the income attributable to the performance in the State of the duties of a foreign employment (iv) The employee must supply evidence of withholding tax (payslip or statement from relevant foreign tax jurisdiction) <p>NOTE: the application for clearance from the Revenue Commissioners for the release from the obligation to operate the Irish PAYE system in respect of temporary assignees should be made within 21 days from when the employee has taken up duties in the State.</p>

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	Your employer will need to register with the Revenue, before you can apply for clearance from obligation to operate PAYE.
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EMPLOYEE	Obtaining a Personal Public Service Number (PPS)
Personal Public Service Number (PPS Number)	The identification number for individuals for many State services in Ireland is known as the Personal Public Service number (PPS Number). The Department of Social and Family Affairs (DSFA) allocates PPS number to individuals. You will be asked to produce documentary evidence of identity and residence in this country. The complete list of documents required can be found on the DSFA website at http://www.welfare.ie/foi/cis_ppsallprocs.html
Tax Credits and Tax Rate Bands	Once you have your PPS number you can apply to the Revenue Commissioners for a determination of your tax credits and tax rate bands that will apply to your earnings that are within the scope of PAYE.

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SOCIAL SECURITY

Temporary Posting Outside the European Economic Area	Retention of employee to Social Insurance Legislation of home country
Certificate of Coverage/Letter of Retention/A1	It is generally recommended that you stay within the social security system of your 'home' country while working on temporary contracts abroad. You must apply to stay within the social security system of your 'home' country and it is recommended that you speak to your local taxation/advisor about this. In the event that you do not stay within the social security system of your 'home' country then social security will fall due for payment in Ireland.

NON DOMICILED INDIVIDUALS

NON DOMICILED INDIVIDUALS	Remittance basis of taxation
An individual who is resident in Ireland but not domiciled in Ireland is liable to income tax on the remittance basis of assessment	A remittance into Ireland, is a receipt of money (actual or constructive) in Ireland of foreign income or gains. A constructive remittance is where you indirectly receive benefit from your overseas income or gains in Ireland.
What is a remittance?	Please note that a remittance not only includes a direct cash transfer, but also any income or benefit received indirectly into Ireland. There are many ways a remittance can occur – for example – a cash withdrawal from your foreign bank account; you use a credit card issued by a foreign bank in Ireland to cover day to day expenditure and pay the credit card bill offshore using your foreign income or you use a credit card issued by an Irish bank while on holiday abroad and pay the credit card bill using your foreign income; you buy an asset abroad with your foreign income and bring the asset to Ireland; you buy a return air fare from your home country to Ireland overseas using your foreign income; you take a loan from a bank overseas or from an individual (say a family member)

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	and you bring the money borrowed into Ireland and then you repay the loan out of foreign income. This list of examples is not exhaustive; there are many other ways in which remittances can occur. If you received any benefit in Ireland whatsoever from your overseas income please provide full details for inclusion on your tax return.
Salary and dividends paid from your UK company	I recommend that you have your salary paid into a separate bank account in the UK and you remit your net salary to Ireland before any dividends are remitted (because your salary is already subject to tax).

Note 1. *While the above table outlines your income tax treatment under Irish domestic legislation, you should be aware that the provisions of a double taxation agreement will generally take precedence over domestic legislative provisions and may result in a different tax treatment in certain circumstances. The advice contained in this report is based on current legislation and EU Regulations. There is no obligation on the author to advise on any changes in the legislation or regulations that may impact on the advice contained in this report.*

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