

Special Assignee Relief Programme (SARP) - 2020 updates

SARP was first introduced in 2012 to encourage the relocation or assignment of key employees to work in Ireland. Where certain conditions are satisfied, 30% of taxable employment income over €75,000 will be disregarded for income tax purposes. Income which is disregarded for income tax purposes is not exempt from the Universal Social Charge (USC) or PRSI. Finance Act 2019 extended SARP in its present format to December 2022 (previously December 2020).



Upper income threshold

Where the employee first arrives in the State, **on or after 1 January 2019** to perform the duties of their employment, SARP provides for relief from income tax on 30% of the employee's income between €75,000 and €1,000,000. Prior to Finance Act 2018, for the years 2015 until 2018, there was **no upper income threshold**.



Time limit for application

Where conditions of the relief are satisfied, an employer must file a Form SARP 1A for each employee availing of SARP relief. The form must be submitted to Revenue within **90 days** of the employee's arrival into Ireland.



Summary of conditions

The below table summarises the conditions for SARP relief and highlights the key changes introduced in Finance Act 2018.

Conditions for SARP relief	Individuals assigned/relocated in 2015 – 2018	Individuals assigned/relocated in 2019 - 2022
Minimum period of employment with 'relevant employer' immediately before being assigned to work in Ireland	6 months	No change
Employment terms	Arrive in Ireland at the request of the 'relevant employer' to perform duties of their employment in Ireland for that employer or to take up employment in Ireland with an associated company of that relevant employer and to perform duties in Ireland for that company.	No change
Period for which the individual will perform duties in Ireland for the 'relevant employer' or an associated company of the 'relevant employer'	12 months from the date of first arrival in Ireland	No change
Incidental duties	No restriction on the performance by the relevant employee of duties outside the State.	No change
Residence position	Resident in Ireland (no restriction on other residence elsewhere).	No change
Relevant income	<ul style="list-style-type: none">• €75,000 lower threshold; and• no upper threshold until 1 January 2020.	<ul style="list-style-type: none">• €75,000 lower threshold; and• from 1 January 2020, €1,000,000 upper threshold
Entitlement to claim relief	First tax year in which resident in the State	No change
Certification by employer	Yes – From SARP 1A within 30 days of arrival	Yes – From SARP 1A within 90 days of arrival
Reporting Requirements	<ul style="list-style-type: none">• employee – Form 11 tax return (due by 31 October following the tax year end); and• employer – Annual return (due by 23 February following the tax year end).	No change

How Grant Thornton can help your business:

- review of the availability of relief for relevant employees;
- advice on claiming the relief via payroll or end of year tax returns;
- assistance with employer returns; and
- assistance with individual income tax returns.

Contact

For further information on SARP please contact a member of our team.

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