



Short-term business visitors: New Irish PAYE rules one year on

The Irish Revenue Commissioners issued updated PAYE guidance last year in relation to Short-Term Business Visitors (“STBVs”) working in Ireland. This guidance broadened the application of PAYE for STBVs and substantially increased PAYE compliance responsibilities for foreign employers. We discuss below our experience of the impact of these changes for employers.

Grant Thornton Experience

- employers have faced an increased administrative burden over the past year arising from the requirement to track employee workdays in Ireland over multiple tax years;
- we have seen an increase in the number of PAYE clearance applications being submitted to Revenue under the new rules, particularly for STBVs who are present in Ireland for more than two consecutive years. This arises from the removal of the automatic PAYE exemption that applied to this category of employees who had less than 30/60 workdays in Ireland in any one tax year;
- Revenue are requesting details of the work being carried out in Ireland by STBVs when considering whether to grant PAYE clearance. Employers need to consider whether the STBVs are “integral” to the Irish business and an analysis needs to be completed before applications are submitted to Revenue;
- employers also have to consider whether a role is filled in Ireland by a series of different individuals on a rotational basis. Under the new rules, the PAYE position has to be considered in respect of that role as a whole;
- overall, we have seen more employers being required to operate Irish PAYE than under the previous rules. This has led to additional costs and cashflow issues for employers in cases where Irish PAYE has to be funded until refunds can be claimed via end of year personal tax returns; and
- given the additional analysis which is now required to determine if a PAYE obligation arises, employers have faced difficulties in meeting the deadlines that apply under the new real time reporting requirements in cases where Irish PAYE applies.

How Grant Thornton can help your business

Employers should now be reviewing their current processes and all STBVs to Ireland on a regular basis to ensure they are correctly managing their Irish PAYE obligations.

Contact

At Grant Thornton, we can meet with you to discuss the key elements of New Irish PAYE rules. Please do not hesitate to call a member of our team to discuss further.




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