

Special Assignee Relief Programme (SARP)

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 €100,000 will be disregarded for income tax purposes. This can result in significant tax savings for key employees. The income which is disregarded for income tax purposes is not exempt from the Universal Social Charge (USC) or PRSI. Finance Act 2022 extended SARP in its present format to December 2025

Upper income threshold

Where the employee first arrives in the State, on or after 1 January 2023 to perform the duties of their employment, SARP provides for relief from income tax on 30% of the employee's income between €100,000 and €1,000,000.

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. The form must be submitted to Revenue within 90 days of the employee's arrival into Ireland.

In most cases, the employee will not have an Irish PPS number and this is required for the SARP 1A form. As there is a strict deadline on the submission of the SARP 1A form, it is important the employee applies for a PPS number as soon as they are aware of the relocation to Ireland.

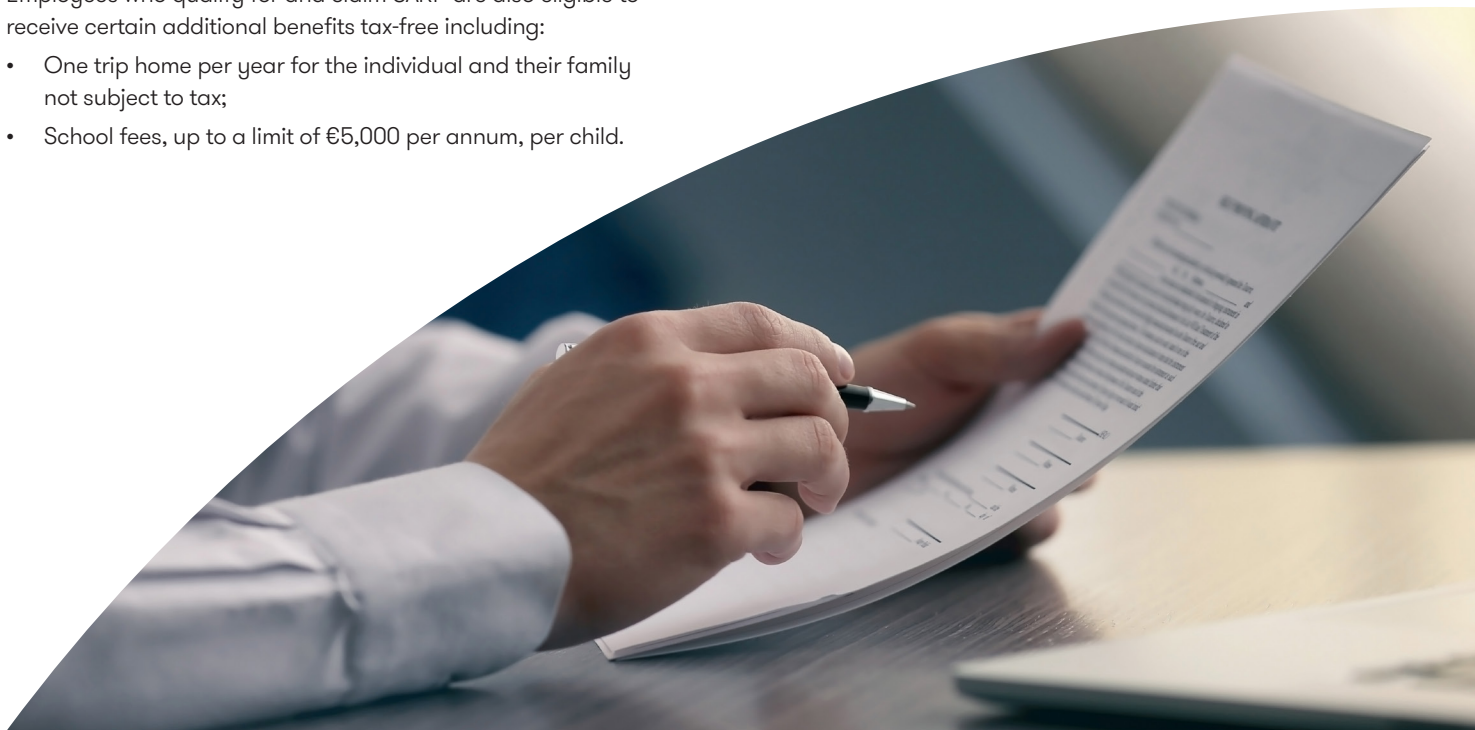
Other Benefits

Employees who qualify for and claim SARP are also eligible to receive certain additional benefits tax-free including:

- One trip home per year for the individual and their family not subject to tax;
- School fees, up to a limit of €5,000 per annum, per child.

How can Grant Thornton help?

- Review availability of relief for relevant employees;
- Review of compensation packages and assignment policies to ensure relief can be claimed, where appropriate;
- Advice on claiming the relief via payroll;
- Assistance with employer returns;
- Assistance with individual income tax returns.



Summary of Conditions

The below table summarises the conditions for SARP relief and highlights the key changes introduced in Finance Act 2022.

| Conditions for SARP Relief | Individuals assigned/relocated in 2023 – 2025 |
|---|---|
| Minimum Period of employment with ‘relevant employer’ immediately before being assigned to work in Ireland | <p>6 months</p> <p>Please note that if an individual comes to Ireland prior to arrival, SARP may not apply. Revenue has outlined specific scenarios in which they will allow the individual to visit the state without it affecting the SARP claim.</p> <ol style="list-style-type: none"> 1. A visit for personal/non-work purposes, such as a brief holiday / look see trip, is allowable. 2. A visit for work purposes may be allowable if the duties are performed under a foreign employment contract for a relevant employer and the visit does not exceed five working days in the six-month period. |
| Relevant Employer | <p>The individual must be an employee of:</p> <ul style="list-style-type: none"> • A company incorporated and tax resident in a country with which Ireland has a Double Taxation Agreement or an Exchange of Information Agreement (a “relevant employer”); or • An associated company of a relevant employer |
| Employment terms | <p>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</p> |
| Period for which the individual will perform duties in Ireland for the ‘relevant employer’ or an associated company of the ‘relevant employer’ | <p>Minimum 12 consecutive months from the date of first arrival in Ireland.</p> <p>Revenue has recently clarified that employees must have at least 1 Irish workday each month in the first 12 months to meet this condition.</p> |
| Residence Position | <p>Resident in Ireland (no restriction on residence elsewhere). Must be non-resident in Ireland for the previous 5 years.</p> |
| Relevant Income | <p>Minimum base salary of €100,000 per annum (Prior to Jan 2023, minimum base salary was €75,000 per annum)</p> |
| Entitlement to claim relief | <p>First tax year in which resident in the State The relief can be claimed via payroll or an annual tax return</p> |
| Certification by employer | <p>Yes - Form SARP 1A within 90 days of arrival</p> |
| Employee / Employer Requirements | <p>Employee</p> <ul style="list-style-type: none"> • PPS Number is required to submit Form SARP 1A to Revenue within the 90 days of arrival. • Form 11 tax return (due by 31 October following the tax year end) <p>Employer</p> <ul style="list-style-type: none"> • Annual return (due by 23 February following the tax year end) • Submit Form SARP 1A within 90 days of employee’s arrival |

Contact

Grant Thornton's Global Mobility team are more than happy to assist on any queries. Please contact a member of the team today.



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