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Tax Alert – January 2019

Payroll changes affecting companies that operate in Ireland

Effective January 1, 2019, employers must report payroll information to Revenue in “real-time.” This means that employers must report payroll information each time their employees **are paid**, rather than at year-end, which is the current system.

What you need to consider

Both Irish companies who have employees working abroad as well as companies who have employees working in Ireland will need to ensure that the “Pay-As-You-Earn” withholding system (PAYE) is operated in “real-time” for these employees. Although many companies have previously corrected their PAYE pay and filing requirements on a retrospective basis (often with the year-end payroll return), this approach will no longer be possible. As of January 1, 2019, employers with Irish PAYE withholding requirements for mobile employees need to ensure that processes are in place to capture and input relevant data, in the right format, to payroll on a timely basis.

Key actions for employers

With this change in rules, it is critical that employers do the following:

- Track and report short-term business visitors (STBVs) and inbound assignees to Ireland
- Determine PAYE obligations for all categories of employees based on current Revenue guidance
- Determine compensation items provided to individuals which are subject to PAYE withholdings
- Ensure (where PAYE withholdings are required) each STBV and inbound assignee have an Irish social security number (PPSN) and is correctly registered for tax purposes
- Ensure robust payroll processes are in place to maintain compliance with the new real-time requirements

Timely returns and accuracy of data are key to ensuring compliance under the new regime. Failure to comply with the new regime will result in interest and penalties being levied on foreign employers (there is a statutory €4,000 penalty for each breach of the new rules).

For more information on this topic, visit the Revenue website: <https://www.revenue.ie/en/employing-people/pay-modernisation/index.aspx>

If you have additional questions, please contact your GTN client service team or contact us at info@gtn.com or +1.888.486.2695, or visit our [Mobility Tax Services page](#) to see what assistance we can provide.

The information provided above is for general guidance only and should not be utilized in lieu of obtaining professional tax and/or legal advice