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Employment Tax Update - 6 things to consider for year end



1. PAYE Settlement Agreement (PSA)

As the 2015 tax year draws to a close, many companies are now taking stock of the year and considering how to reward outstanding employees and asking questions about the tax treatment of such rewards. Applications to account for the tax on minor and irregular benefits via a PSA for 2015 must be made to Revenue by 31 December 2015. Further details are set out in the attached brochure.

View our [PAYE Settlement Agreement](#) for more information.

2. P35 End-of-year reporting

Although the 2015 P35 filing deadline is not until 15 February 2016 (or 23 February 2016 for online filing), employers should take the opportunity now, in the last two months of 2015, to review and regularise the payroll to ensure all items of pay (cash and non-cash) are captured and taxed correctly so as to avoid any late payment interest charges and penalties. This is especially relevant where shadow payrolls are being operated for expatriate employees as it provides an opportunity to regularise the payroll before year end, thereby allowing the employer to ensure compliance with the PAYE regulations.

In addition, the end of the self-correction period for any adjustments to the 2014 P35 is also approaching on 15 February

2016 (or 23 February 2016 for online filing) and any adjustments required to this should be addressed in the next few months in order to avoid penalties and the voluntary disclosure process.

As part of your review of the payroll and P35, you may wish to consider undertaking a PAYE health check. We work with clients to review all pay and benefits of employees to consider the correct tax treatment of each to each, so that employers can tax them correctly through payroll. We also help clients to both identify and rectify any anomalies with Revenue. This process gives clients comfort that their PAYE position is up to date in the event of a Revenue Audit.

3. 2016 changes and shadow payroll

The USC rates are due to change with effect from 1 January 2016 and as many employers operate shadow payrolls in respect of foreign employees, now is an opportune time to review these calculations to ensure the deductions reflect the changes in the rates.

4. Finance Bill changes on vouchers to staff

Following October's Budget, the recent Finance Bill provides for the provision of a tax-free non cash benefit to staff up the value of €500. While the Small Benefit Exemption previously allowed a non-cash award of up to €250 to be delivered tax-free to employees, this Finance Bill provision doubles such benefit. In a positive move, the Finance Bill provides that the new €500 tax-free non-cash benefit provisions will apply from 22 October giving employers an opportunity to reward staff before Christmas.

5. Share scheme reporting requirement

For unapproved share option plans, employers are obliged to report on Form RSS1, the grant, release, assignment and exercise of options during 2015 to Revenue by 31 March 2016. The form must be submitted in an electronic format. Where the plan is an approved plan, Form ESS1 must be used to declare share allocations and must be filed by 31 March 2016 or within 30 days if requested by Revenue.

6. Immigration - Trusted Partner Initiative

As part of the Action Plan for Jobs 2015, the Department of Jobs, Enterprise and Innovation (DJEI) launched the Trusted Partner Initiative in May 2015. The scheme aims to streamline the employment permit application process to make it easier for employers to attract key talent from abroad to Ireland. We understand that, to date, over 70 companies have signed up to be 'Trusted Partners'.

The main attraction of becoming a Trusted Partner is that future employment permit applications are processed faster in comparison to standard employment permit applications. The DJEI have advised that employment permit applications from Trusted Partners are processed within five-to-six working days from payment of the application fees. Other benefits of becoming a Trusted Partner include reduced administration and access to a dedicated suite of shorter application forms. Employment permit applications from Trusted Partners will continue to be assessed in line with normal criteria and subject to the usual application fees.

Registration as a Trusted Partner involves a one-off application detailing relevant corporate information of the applicant (e.g. employer tax number, employee head count numbers, related companies, names of directors and relevant service agreements). The registration process takes approximately two working days to process. Status as a Trusted Partner is granted for an initial period of two years and is renewable. There is no fee for registration as a Trusted Partner.

Our Global Employer Services team have experience in advising clients on the Trusted Partner scheme and providing assistance in relation to the Trusted Partner application.

View our [Immigration services](#) brochure for more info.

For information on any of the above, please contact your usual Deloitte GES contact or any of the following:



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