

Welcome to the Irish PAYE Tax System

Introduction

As an employee in this country you may be liable to pay tax on the money that you earn. The tax paid by you goes towards the cost of providing a range of services that benefit both you and the general public. These services include the provision of -

- health and hospital care
- education
- full range of welfare and care benefits
- housing
- national infrastructure (roads, etc.)

The method of tax deduction used in this country is known as the PAYE system. PAYE stands for Pay As You Earn. Under this system, your employer calculates any tax due and deducts it each time a payment of salary is being made to you. The tax collected is then forwarded to the Revenue Commissioners. PAYE is operated on the basis of a calendar year, starting on the 1st of January and ending on the 31st of December.

When you commence working in this country for the first time you will need to contact us as soon as possible to get your Tax Credit Certificate which will include your Standard Rate Cut-Off Point.

Tax Credits and Standard Rate Cut-Off Point

Individuals can claim tax credits depending on personal circumstances, e.g., a single person's tax credit, married person's tax credit, widow's tax credit. PAYE employees can also claim a PAYE tax credit. For details of the main tax credits that can be claimed, see Information Leaflet IT 1 - 'Tax Credits, Rates and Reliefs'.

For each pay period, you pay tax at the standard rate of tax up to your cut-off point. Any income over the cut-off point is taxed at the higher rate

Example

Anna earns €600 per week.

Her weekly standard rate cut-off point is €565.38 and her weekly tax credit is €54.81.

Her weekly tax liability is calculated as followed:

€565.38 @ 20% = €113.08
€ 34.62 @ 42% = € 14.54
Gross tax payable €127.62
Less tax credit (€ 54.81)
Net tax payable € 72.81

Remember - it's important that you get your Certificate as early as possible so as to avoid paying Emergency Tax.

This leaflet is designed to help you get your tax affairs sorted out as quickly and as easily as possible.

How to get your Tax Credit Certificate

In order to get your Tax Credit Certificate, you may do one of the following things -

1. If you are an Irish national you may fill out the appropriate sections of this Form and send it to your Regional Revenue Office. If you are **not** an Irish national you should complete Form 12A and send it to your Regional Revenue Office. Form 12A is available from any Revenue Public Office or from Revenue Forms & Leaflets on LoCall 1890 306 706
or
2. You can contact your Regional Revenue Office whose LoCall number is listed below.
 - **Border Midlands West Region 1890 777 425**
Cavan, Monaghan, Donegal, Mayo, Galway, Leitrim, Louth, Offaly, Longford, Roscommon, Sligo, Westmeath
 - **Dublin Region 1890 333 425**
Dublin (City and County)
 - **East & South East Region 1890 444 425**
Carlow, Kildare, Kilkenny, Laois, Meath, Tipperary, Waterford, Wexford, Wicklow
 - **South West Region 1890 222 425**
Clare, Cork, Kerry, Limerick

All calls are charged at local rates.

If you are completing the appropriate sections on this form please follow these steps:

1. Complete all relevant sections of the Form.
2. Send the completed Form to your Regional Revenue Office. (Address available from the LoCall Number)
3. Alternatively, you can call in person to your Regional Revenue Office.

If you telephone your Regional Revenue Office, please follow these steps:

1. Call the LoCall number of your Regional Revenue Office.

2. Tell the operator that you want a Tax Credit Certificate
3. Give the operator the information he/she asks you for.

Whichever method you decide upon, both you and your employer will receive notification of your tax credits. You will receive your Tax Credit Certificate which will show a breakdown of the credits and cut-off point due to you.

Your employer will receive a Tax Credit Certificate, which will show only the gross annual tax credits and gross annual cut-off point allocated to you and the corresponding weekly and monthly amounts.

Once your employer has received the Certificate, he/she can make the appropriate tax deductions from your salary.

In your dealings with the Revenue Commissioners, you may come across the following tax-related terms -

Personal Public Service Number (PPS No.)

If you are over 16 years of age and an Irish national, your PPS number should already have been given to you by the Department of Social and Family Affairs. If you are not an Irish national, you should contact your local branch office of the Department of Social and Family Affairs to get a PPS number. Your PPS number is very important. Keep a permanent record of it and always quote the number when contacting the Revenue Commissioners.

Your Regional Revenue Office may be able to trace your PPS number if you have been allocated one but cannot locate it. Where they are unable to trace your number, you must apply to your local Social Welfare Office for your number.

Employer's Registered Number

This is the number under which an employer is registered for PAYE. You will have to ask your employer for this number.

Pay Related Social Insurance (PRSI)

PRSI may be deducted from your salary if you earn over a certain amount. Your PRSI contributions may entitle you to social welfare benefits at a future date. For further information on PRSI and social welfare benefits, contact the Department of Social and Family Affairs on (01) 7043000.

Application for a Tax Credit Certificate

Title

Mr Mrs Ms Miss

First Name

Surname

Address

PPS Number

Date of Birth

Marital Status

Single Married

Separated Divorced

Widowed

Your Birth Surname

Name and Address of your Employer

Employer's Registered Number

Date you started work

 / /

Job Description

Frequency of Pay

 Weekly Fortnightly Monthly

Signed

Date

 / /

Telephone Number

Personnel/Staff/Payroll Number

Your employer's payroll section may allocate a reference number to you, under which all records pertaining to your salary can be stored and retrieved.

Emergency Tax

If your employer does not hold a Tax Credit Certificate for you, he/she must deduct Emergency Tax. Emergency Tax is operated in the following way -

Tax is calculated on taxable pay. This is gross pay less any superannuation contributions, permanent health benefit contributions, allowances and any expenses due. Different rules apply depending on whether or not the employee provides an employer with his/her PPS Number. The tables below outline the tax credits and cut off points applicable.

Where Employee does not provide a PPS Number

Week or Month	Standard Rate Cut-Off Point	Tax Credit
All	€0.00	€0.00

Where Employee provides a PPS Number

Weekly Paid	Weekly Standard Rate Cut-Off Point	Weekly Tax Credit
Weeks 1 to 4	€566	€31.00
Weeks 5 to 8	€566	€0.00
Weeks 9 onwards	€0.00	€0.00

Monthly Paid	Monthly Standard Rate Cut-Off Point	Monthly Tax Credit
Month 1	€2,450	€132
Month 2	€2,450	€0.00
Month 3 onwards	€0.00	€0.00

Emergency Tax may result in excessive tax deductions. It is in your interest to obtain your Tax Credit Certificate as soon as possible to avoid having too much tax deducted.

Benefits from your Employer

Some employers may pay employees with non-cash remunerations. These are known as benefits or perquisites. These benefits are subject to PAYE (at source) and from 1 January 2004 are also subject to PRSI (at source). For more information, please see information Leaflet IT20A.

Further Information

The following leaflets and forms contain more detailed information on personal tax credits and the PAYE tax system:

IT 1 Tax Credits, Rates and Reliefs

IT 2 Taxation of Married Couples

IT 11 Employees' Guide to PAYE

IT 20A PAYE/PRSI on Benefits from Employments from 1st January 2004

OP 1 One Parent Family Tax Credit Claim Form

Rent 1 Rent Relief Claim Form

RES 2 Coming to Live in Ireland

These leaflets are available from the Revenue Forms and Leaflets service on LoCall number 1890 306 706, from any Regional Revenue Office or they can be downloaded from our website at www.revenue.ie

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Revenue Commissioners

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