

## Income Tax (Employments) Regulations 2018

### Part 42-04-71

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A more recent version of this manual is available.

## Introduction

The Income Tax (Employments) Regulations 2018 (S.I. No. 345 of 2018) are available on the [Irish Statute Book](#). These Regulations came into operation on 1 January 2019 in respect of emoluments paid on or after 1 January 2019. The Regulations were amended by the Income Tax (Employments) Regulations 2022 (S.I. No. 690 of 2022), also available on the [Irish Statute Book](#), which came into operation on 1 January 2023.

The Income Tax (Employments) (Consolidated) Regulations 2001 (S.I. No. 559 of 2001) continue to apply to any payment of emoluments made on or before 31 December 2018.

The Appendix below provides guidance in respect of each Regulation in the Income Tax (Employments) Regulations 2018 S.I. No. 345 of 2018 as amended by the Income Tax (Employments) Regulations 2022 S.I. No. 690 of 2022. The corresponding provision in the Income Tax (Employments) (Consolidation) Regulations 2001 is also shown for reference, where applicable.

## Appendix

Regulation Number	Title	Description	Corresponding 2001 Regulation Number
1	Citation and commencement	The title of the Regulations is the Income Tax (Employments) Regulations 2018 and they come into operation on 1 January 2019 in respect of emoluments paid on or after that date.	1
2	Interpretation	This Regulation sets out definitions for the purposes of the Regulations. The definitions are for the most part self-explanatory. Please note that 'revenue payroll notification' is defined as the <u>latest</u> notification issued or made available to an employer in respect of an employee. In other words, employers are required to use the latest revenue payroll notification (RPN) issued or made available by Revenue when making a payment.	2
3	Service by post or electronic means	Notices, notifications, certificates etc. may be sent or made available by post or by electronic communications.	6
4	Determination of appropriate tax credits and standard rate cut-off point	<p>This Regulation provides for Revenue to determine tax credits and the standard rate cut-off point (SRCOP) having regard to various matters such as—</p> <ul style="list-style-type: none"> <li>• entitlement to tax credits, reliefs, including a claim for tax credits and reliefs for certain qualifying expenditure in real time etc.,</li> <li>• the amount of the emoluments,</li> <li>• other income,</li> <li>• reliefs at the higher rate of tax,</li> <li>• tax overpaid or underpaid in earlier years, and</li> <li>• any other adjustment to ensure that the correct amount of tax is deducted.</li> </ul> <p>An employee may request the inspector to disregard a relief or income when determining the tax credits and SRCOP.</p>	10

		<p>The inspector may instruct the employer to disregard certain expenses in computing the tax liability of an employee.</p> <p>Where the employee has more than one employment, he or she may direct the inspector to allocate tax credits between employments in a specific manner.</p>	
5	Objection and appeal against amount of tax credits and standard rate cut-off point	<p>After an inspector has determined the amount of tax credits and SRCOP appropriate to an employee, he or she shall send a tax credit certificate to the employee.</p> <p>If aggrieved by the determination, the employee may give notice of his or her objection, stating the grounds, within 21 days of notification of the determination.</p> <p>An inspector may amend the determination upon receipt of an objection.</p> <p>If agreement cannot be reached between an employee and the inspector, the employee may appeal to the Appeal Commissioners within 30 days of objecting.</p> <p>The Appeal Commissioners shall then determine the appropriate amount of tax credits and SRCOP.</p> <p>Where the amount of tax credits or SRCOP is amended, the inspector shall then send an amended tax credit certificate to the employee.</p> <p>An RPN may issue or be made available to the employer notwithstanding that an inspector's determination is the subject of an objection or appeal.</p>	12
6	Revenue payroll notification to employer	<p>This Regulation provides that when an inspector has determined the amount of tax credits and SRCOP due to an employee for a year, an RPN will be sent or made available to the employer.</p> <p>The RPN will set out:</p> <ul style="list-style-type: none"> <li>• the amount of tax credits and SRCOP due, and</li> <li>• any details of pay and tax from a previous employment in the year.</li> </ul>	11

		<p>Separate RPNs are needed if an employee has more than one employment either with the same employer or another employer.</p> <p>An employer must:</p> <ul style="list-style-type: none"> <li>• use the information on the RPN to calculate tax due in respect of, or tax refundable to, an employee, and</li> <li>• where appropriate, use the electronic system made available by Revenue.</li> </ul>	
7	Amendment of amount of tax credits and standard rate cut-off point	<p>An amended determination may be issued by an inspector where an employee's circumstances have changed.</p> <p>The amended determination must issue to the employee no later than when a new RPN issues or is made available to the employer.</p> <p>The employee may object to, and appeal against, an amended determination in accordance with the provisions of Regulation 5.</p>	13
8	Notice to employer of amended amount of tax credits and standard rate cut-off point	Where an inspector amends a determination after an RPN has been issued, a new RPN must issue to the employer, and the employer must use the new RPN.	14
9	General provision for deductions and repayments	On payment of emoluments by an employer to an employee, deductions or repayments of tax shall be made subject to, and in accordance with, these Regulations.	16
10	Notification of payment of emoluments	<p>This Regulation sets out the information that is required to be sent to Revenue, by an employer, on or before the making of a payment of emoluments to an employee.</p> <p>This information must be kept by the employer for a period of 6 years after the end of the year to which it refers, or a shorter period where authorised in writing by Revenue.</p>	31

11	Calculation and making of deduction or repayment	<p>This Regulation sets out how tax should be calculated using the cumulative system.</p> <p><a href="#">Examples of how to calculate income tax deductions can be found on the Revenue website.</a></p>	17
12	Deduction of tax in respect of notional payments	<p>The employer is obliged to deduct tax on notional pay either on the day the notional payment is made or, if there is no actual payment of emoluments to the employee on that day, the earlier of -</p> <ul style="list-style-type: none"> <li>• the next pay day, or</li> <li>• 31 December in that year.</li> </ul> <p>Where the actual payments of emoluments to an employee are insufficient to meet the tax liability, the employer will be liable for any shortfall in the amount of tax due.</p>	16A
13	Tax borne by employer in respect of notional payments	<p>Where tax on notional pay has been borne by the employer and has not been repaid by the employee to the employer, the tax paid shall be treated as if it was an additional emolument made to the employee on 28 February in the following year.</p>	16B
14	Deduction of tax in respect of certain notional payments	<p>This Regulation covers the following notional payments:</p> <ul style="list-style-type: none"> <li>• the private use of a company car or van,</li> <li>• the benefit arising from a preferential loan, and</li> <li>• the benefit arising from the use of an asset belonging to the employer.</li> </ul> <p>Where a notional payment above arises:</p> <ul style="list-style-type: none"> <li>• the emoluments are to be apportioned over the period for which the benefit is available in the year, and</li> <li>• the employer shall deduct tax in respect of the notional pay arising for each pay period within the period for which the benefit is available.</li> </ul>	17A

15	Deduction in special cases	<p>This Regulation applies to –</p> <ul style="list-style-type: none"> <li>• payments made in week 53, (30/31 December in a leap year and 31 December in other years), and</li> <li>• any other payments to which the Inspector directs that it should be applied.</li> </ul> <p>Where this Regulation applies, the employer must deduct tax as if the emoluments were paid in Week 1 of the tax year rather than by reference to Regulation 11(1).</p>	19
16	Arrears of pay	<p>This Regulation applies to arrears of pay to an employee who has left employment.</p> <p>Where an RPN is available, the employer must calculate the tax due on the emoluments by reference to the RPN.</p> <p>Where an RPN is not available, tax is deducted from the emoluments at the higher rate of tax.</p>	19A
17	Employer obligations when an employee commences or ceases employment	<p>This Regulation sets out the information an employer is required to send to Revenue when an employee commences or ceases employment.</p> <p>Employers are required to take all reasonable measures to ensure that their employees have furnished them with the correct PPSN.</p> <p>When an employee commences employment, the employer shall send the following particulars relating to the employee to Revenue, viz. the PPSN of the employee (or in the absence of a PPSN, the employer reference referred to in Regulation 10(1)(j)), his or her address and his or her date of birth, his or her full name, the date of commencement of employment and the employment identifier referred to in Regulation 10(1)(k).</p> <p>An employer must notify Revenue of the date of cessation of employment of an employee no later than the date of cessation.</p>	20



18	Death of employee	<p>On the death of an employee, the date of death shall be treated as the date of cessation of employment.</p> <p>If emoluments are paid by the employer after the date of death, the employer shall deduct or repay tax as if the employee was still in their employment on the date the payment is made.</p>	21
19	Emergency basis of deduction	<p>The Emergency Basis of deduction must be used by an employer where an RPN has not been received by or made available to an employer in respect of an employee.</p> <p>Where an employee has not provided the employer with his or her PPSN, the emergency basis provides for tax to be deducted at the higher rate of tax.</p> <p>Where an employee has provided his or her PPSN to the employer, the employer must, in the 4-week period from when the employee first receives emoluments, deduct tax at the standard rate on weekly emoluments up to 1/52 of the standard rate band specified in Part 1 of the Table to section 15, TCA 1997 and at the higher rate on any excess emoluments. (If the employee is paid monthly, deduction should be made at the standard rate on emoluments up to 1/12 of the standard rate band and thereafter at the higher rate.) After the 4-week period from when the employee first receives emoluments, tax is deducted at the higher rate on all emoluments.</p> <p>Once an RPN is received by or made available to an employer, the cumulative basis should be applied.</p>	22
20	Aggregation of emoluments in non-cumulative cases	<p>Where an RPN is issued on a week 1 basis, tax is calculated on a weekly basis rather than on a cumulative basis.</p>	24
21	Tax-free emoluments	<p>Where payment is made to an employee on a net pay basis, the "pay" for income tax purposes is the amount which, after deduction of tax, would give the amount actually received by the employee.</p>	25

22	Repayment during sickness and unemployment	<p>If an employee receives no emoluments from his or her employer while absent from work through illness (or other similar cause), the employee may apply to the employer for a repayment of tax.</p> <p>If an employee is absent from work other than through illness and is not in receipt of emoluments, the employer shall either:</p> <ul style="list-style-type: none"> <li>• make any repayment of tax that may be due to the employee, or</li> <li>• notify Revenue that the employee is absent from work and that no repayment of tax will be made to the employee while absent. This should be done by the employer no later than the first usual pay day on which no emoluments will be payable to the employee.</li> </ul> <p>In the latter case, the employer need not make a repayment.</p> <p>An employer must notify Revenue immediately after an employee returns to work. The emergency basis will then apply where an RPN has not been issued or made available to the employer after the employee resumes employment for the employer.</p> <p>In the case of an individual who has ceased to be employed or with respect to whom a notification has been sent under paragraph (2)(b), any repayment of tax which may be due will be made to him or her by Revenue.</p>	26
22A	Certain repayment before end of the year	<p>An employer may, in certain circumstances and where no payment of emoluments is made during the last income tax month of the year, make a repayment of tax to an employee during the last income tax month of the year so that the employee can get the benefit of any unused credits at the end of the year under the cumulative PAYE system.</p> <p>The employer is required to use the latest RPN sent or made available to them as the basis for calculating any repayment of tax.</p>	

		An employer can make a repayment of tax under this Regulation only where an RPN has been sent or made available to them and where tax is deductible on a cumulative basis i.e., the RPN is issued on a cumulative basis.	
23	Inspection of employer's records	<p>An employer must make all relevant payroll documentation available to an authorised officer on request. "Authorised officer" is defined in Regulation 2 as an officer of the Revenue Commissioners authorised by them for the purposes of the Regulations.</p> <p>Where an authorised officer requests production of payroll documentation, he or she must, on request, show his or her authorisation.</p> <p>Payroll documentation must be retained by an employer for a period of six years after the end of the year to which the documentation refers, or for such shorter period as Revenue may authorise by notice in writing to the employer.</p>	32
24	Death of employer	Where an employer dies, his or her obligations under these Regulations are transferred to his or her personal representative, or in the case of a deceased employer who paid emoluments on behalf of another person, to the person who succeeds the deceased employer, or in default of a successor, to the person on whose behalf emoluments were paid.	33
25	Succession to a business, etc	<p>This Regulation deals with the situation where an individual's employment continues but the employer changes.</p> <p>For the purposes of these Regulations, the employee will not be treated as having ceased employment and the new employer will be required to do anything that the previous employer would have been required to do if the change had not taken place.</p> <p>However, the new employer is not liable for payment of tax deductible from emoluments paid prior to the change.</p>	34

26	Assessment of emoluments	Nothing in these Regulations shall prevent an assessment under Schedule E being made on a person in respect of his or her emoluments for any year.	35
27	Return of certain emoluments by employer	An inspector may by notice require an employer to send a return giving details of emoluments due to an employee for a tax year but which are not paid until after the end of the year or emoluments paid to an employee during any pay period. The return must be sent to the inspector within the time specified in the notice.	36
28	Notification of liability	An inspector may issue a statement to an employee after the end of a year outlining his or her tax liability for the year and stating how it is proposed to deal with any underpayment or overpayment.	37
29	Recovery of underpayments	Where an assessment shows tax underpaid, the inspector may, instead of adjusting the determination of tax credits and SRCOP for a later year, require the individual to pay the amount to the Collector-General. Where so required, the individual shall pay the amount due.  In determining the amount of any underpayment, adjustment may be made to reflect any overpayment or underpayment in respect of earlier years.	39
30	Recovery of tax from employee	The normal tax recovery provisions will apply to the recovery of any tax which is to be remitted by an employee to the Collector-General.  Any tax which is to be remitted to the Collector-General under Regulation 29 must be remitted within 14 days of the date on which the Collector-General first makes application therefor.	40
31	Deduction or repayment by reference to superannuation contribution	This Regulation applies to certain pension contributions and deductions payable by an employer and which are deductible by an employer from the emoluments of the employee.	41, 42

		On the making of a payment of emoluments to which these Regulations apply, the employer is to reduce the emoluments by an amount equal to the contribution or deduction.	
32	Revocation	The Income Tax (Employments) (Consolidated) Regulations 2001 (No. 559 of 2001) are revoked. However, those Regulations continue to apply to any payment of emoluments made on or before 31 December 2018.	

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