

Karshan Settlement Opportunity

Preliminary Statistics
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Karshan Settlement Opportunity

The Supreme Court judgment delivered in October 2023 in Revenue v Karshan (Midlands) Ltd. trading as Domino's Pizza provided important clarity on the classification of workers for tax purposes by setting out a structured framework for determining employment status. This level of clarity was not available prior to the judgment, and employers had previously assessed worker classification based on the information and guidance then in place.

It was in this context that Revenue announced the Karshan settlement opportunity in September 2025, as set out in the relevant Tax and Duty Manual. This provided a means for businesses to correct payroll tax issues for 2024 and 2025, arising from bona-fide classification errors, without the imposition of interest and penalties.

In order to avail of the opportunity, businesses were required to submit a disclosure by the deadline of 30 January 2026 and pay all related liabilities in full or request a Phased Payment Arrangement to pay the liabilities when submitting their disclosures.

The disclosures were received from a wide variety of businesses and the submissions varied widely in size from employers who were regularising only one employee to others who were regularising over 100 employees. The duration of these employments varied with many related to part time or seasonal employments.

Overall, Revenue received submissions from 286 employers with total tax adjustments of circa €26.7 million that involve over 6,600 employees.

Calculation Methodology

Employers were required to calculate liabilities separately for 2024 and 2025 as follows:

- Income Tax calculated at the rate of 20% on the gross amount paid to the employee during the relevant year.
- USC calculated based on a blended rate of 3.5% of the gross amount paid during the relevant year.
- PRSI (Employee and Employer contribution) must be calculated on an actual basis.

The statistical tables on the following pages provide breakdowns of Karshan Settlement Opportunity submissions, by value of the Tax Adjustments, economic sector and employment numbers.

The next phase is the verification of the submissions received, which is ongoing, to ensure compliance with the terms published in September 2025 in the Tax and Duty Manual Revenue Guidelines – Settlement arrangement arising from Revenue v Karshan (Midlands) Ltd. trading as Domino's Pizza.

Table 1: Total Submissions by Economic Sector

Sector of Employer	Total Number of Employers	Total Tax Adjustments €	2025 Tax Adjustments €	2025 Number of Employees	2024 Tax Adjustments €	2024 Number of Employees
Publicly Funded Bodies	51	6,230,483	3,187,490	2,067	3,042,993	1,976
Construction	46	5,235,273	2,882,404	210	2,352,869	155
Accommodation and Food	58	5,085,240	1,437,391	1,305	3,647,849	2,951
Professional, Scientific, and Technical	13	2,143,104	1,115,840	923	1,027,264	842
Information and Communication	16	1,744,149	829,487	311	914,661	345
Arts, Entertainment, and Recreation	34	1,476,085	877,619	842	598,468	784
Administrative and Support Service	10	1,458,246	702,672	137	755,573	308
Manufacturing	11	1,150,382	457,220	116	693,162	155
Human health and Social Work	15	572,407	295,593	153	276,813	139
All other sectors	32	1,649,437	765,338	626	884,100	707
Grand Total	286	26,744,806	12,551,054	6,690	14,193,752	8,362

Employers in these tables are primarily categorised by sector based on NACE category apart from the Publicly Funded Sector. NACE is a statistical classification of economic activities developed in the European Community.

The Publicly Funded Sector category relates to organisations that receive public funding, including those fully funded by the Exchequer. Employers in this sector are identified based on Revenue administrative records rather than NACE category whereas other employers are categorised by NACE category. Accordingly, there are no employers from the Publicly Funded Sector in the other NACE category sectors further below in the tables.

Tables 1 is sorted by the consolidated value of Total Tax Adjustments.

Tables 2 and 3 are sorted by the value of Total Tax Adjustments for 2025 and 2024 respectively.

Table 2: Total Tax Adjustments for 2025 by Economic Sector

Sector of Employer	2025 Tax Adjustments €	2025 Income Tax €	2025 USC €	2025 EE PRSI €	2025 ER PRSI €	2025 Number of Employees
Publicly Funded Bodies	3,187,490	1,650,940	288,914	349,623	898,014	2,067
Construction	2,882,404	1,498,592	258,694	298,174	826,943	210
Accommodation and Food	1,437,391	840,643	147,111	60,599	389,039	1,305
Professional, Scientific, and Technical	1,115,840	609,747	118,324	79,102	308,667	923
Arts, Entertainment, and Recreation	877,619	479,562	83,923	87,290	226,845	842
Information and Communication	829,487	447,083	78,146	78,224	226,034	311
Administrative and Support Service	702,672	362,433	63,941	74,049	202,249	137
Manufacturing	457,220	237,603	41,581	43,143	134,893	116
Human health and Social Work	295,593	154,190	26,984	31,139	83,278	153
All other sectors	765,338	434,233	71,037	47,855	€212,213	626
Grand Total	€12,551,054	€6,715,026	€1,178,655	€1,149,197	€3,508,175	6,690

Table 3: Total Tax Adjustments for 2024 by Economic Sector

Sector of Employer	2024 Tax Adjustments €	2024 Income Tax €	2024 USC €	2024 EE PRSI €	2024 ER PRSI €	2024 Number of Employees
Accommodation and Food	3,647,849	2,136,082	368,866	157,231	985,670	2,951
Publicly Funded Bodies	3,042,993	1,582,681	276,989	327,342	855,981	1,976
Construction	2,352,869	1,214,430	211,692	240,755	685,993	155
Professional, Scientific, and Technical	1,027,264	567,627	99,335	61,925	298,377	842
Information and Communication	914,661	482,887	85,020	88,508	258,246	345
Administrative and Support Service	755,573	392,276	69,097	77,856	216,343	308
Manufacturing	693,162	370,307	65,505	53,891	203,458	155
Arts, Entertainment, and Recreation	598,468	334,465	57,900	43,932	162,172	784
Human health and Social Work	276,813	145,410	25,448	28,169	77,787	139
All other sectors	884,100	510,137	89,674	44,637	239,651	707
Grand Total	14,193,752	7,736,302	1,349,526	1,124,246	3,983,678	8,362

Tables 4 to 5 are presented by employee range per employer, reflecting the total number of employees included in each employer's submission. These figures comprise both full-time and part-time employees. The tables reflect only those employees for whom adjustments were made and do not represent the total workforce of each employer; accordingly, employers within these ranges may have existing employees who are not captured within the "employee range per employer" figures.

Table 4: Employment Size 2025 - All Submissions

Employee range by Employer	Number of Employers	Number of Employees	Tax Adjustments €
1-25	203	1,285	6,088,581
26-50	30	1,063	1,419,680
51-100	21	1,551	1,946,614
101+	15	2,791	3,096,179
Grand Total	269	6,690	12,551,054

Of the 286 employers who made submissions overall, 269 employers made tax adjustments for the 2025 tax year, while the remaining 17 employers made tax adjustments for the 2024 tax year only.

Table 5: Employment Size 2024 - All Submissions

Employee range by Employer	Number of Employers	Number of Employees	Tax Adjustments €
1-25	193	1,247	6,013,216
26-50	35	1,219	1,709,533
51-100	23	1,648	1,743,880
101+	19	4,248	4,727,123
Grand Total	270	8,362	14,193,752

Of the 286 employers who made submissions overall, 270 employers made tax adjustments for the 2024 tax year, while the remaining 16 employers made tax adjustments for the 2025 tax year only.

Supplementary detail in respect of the largest economic sector and the largest NACE code, as derived from subsets of Tables 1–5, are set out in pages 5 and 6 of this report.

Appendix

Breakdown by number of employees for the largest Economic Sector and NACE code

To protect taxpayer confidentiality and adhere to Revenue's statistical disclosure control protocol, categories in Tables 6 to 11 comprising fewer than 10 employers have been amalgamated.

The Publicly Funded Sector relates to organisations that receive public funding, including those fully funded by the Exchequer. Employers in this sector are identified based on Revenue administrative records rather than NACE category.

Table 6: Tax Adjustments for Publicly Funded Bodies sector

Year	Number of Employers	Tax Adjustments €	Income Tax €	USC €	EE PRSI €	ER PRSI €	Number of Employees
2025	51	3,187,490	1,650,940	288,914	349,623	898,014	2,067
2024	51	3,042,993	1,582,681	276,989	327,342	855,981	1,976
Grand Total		6,230,483	3,233,621	565,903	676,965	1,753,995	

In total, 51 employers in the Publicly Funded Bodies sector made submissions overall and all submissions received related to both the 2025 and 2024 tax years.

Table 7: Employment Size Adjustments for Publicly Funded Sector for 2025

Employee range by Employer	Number of Employers	Number of Employees	Tax Adjustments €
1-25	25	159	475,097
26-50	10	359	409,020
51+	16	1,549	2,303,373
Grand Total	51	2,067	3,187,490

Table 8: Employment Size Adjustments for Publicly Funded Sector for 2024

Employee range by Employer	Number of Employers	Number of Employees	Tax Adjustments €
1-25	26	174	519,977
26-50	10	335	351,911
51+	16	1,467	2,171,105
Grand Total	51	1,976	3,042,993

NACE Code 5610 -Restaurants and mobile food service is a subset of the Accommodation and Food Business Sector and is the NACE code with the highest number of employer submissions.

Table 9: Tax Adjustments for Restaurants and mobile food service

Year	Number of Employers	Tax Adjustments €	Income Tax €	USC €	EE PRSI €	ER PRSI €	Number of Employees
2025	45	1,366,027	798,155	139,676	58,367	369,831	1,258
2024	53	3,545,125	2,077,094	358,542	152,176	957,314	2,885
Grand Total		4,911,152	2,875,249	498,218	210,542	1,327,145	

Table 10: Employment Size Adjustment for Restaurants and mobile food service for 2025

Employee range by Employer	Number of Employers	Number of Employees	Tax Adjustments €
1-25	31	337	506,210
26+	14	921	858,817
Grand Total	45	1,258	1,366,027

In total, 54 employers with the NACE Code 5610 - Restaurants and mobile food service - made submissions overall, 45 employers made tax adjustments for the 2025 tax year, while the remaining 10 employers made tax adjustments for the 2024 tax year only.

Table 11: Employment Size Adjustment for Restaurants and mobile food service for 2024

Employee range by Employer	Number of Employers	Number of Employees	Tax Adjustments €
1-25	28	335	575,192
26-50	11	399	482,356
51+	14	2,151	2,487,577
Grand Total	53	2,885	3,545,125

In total, 54 employers with the NACE Code 5610 - Restaurants and mobile food service - made submissions overall, 53 employers made tax adjustments for the 2024 tax year, while the remaining 1 employer made tax adjustments for the 2025 tax year only.

Further Information

The Tax and Duty Manual Part 05-01-30 - *Revenue Guidelines for Determining Employment Status for Taxation purposes* issued in May 2024 which outlines the implications for determining employment status for taxation purposes arising from the Supreme Court judgement in the Karshan case is available at <https://www.revenue.ie/en/tax-professionals/ebrief/2024/no-1402024.aspx>.

The Tax and Duty Manual - *Revenue Guidelines – Settlement arrangement arising from Revenue v Karshan (Midlands) Ltd. trading as Domino’s Pizza* issued in September 2025 is available at - <https://www.revenue.ie/en/tax-professionals/tdm/compliance/audit-and-other-compliance-interventions/karshan-settlement-guidance/index.aspx>.

Further information is available on www.revenue.ie.

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