Special Assignee Relief Programme (SARP)

Part 34-00-10

This document should be read in conjunction with section 825C Taxes Consolidation Act 1997

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Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.

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1. Executive Summary

This manual provides guidance on the tax relief available for certain employees assigned to work in the State and the main conditions that must be satisfied to avail of the Special Assignee Relief Programme (SARP).

2. Introduction

2.1. Summary of Finance Act provisions

- Section 14 of Finance Act 2012 inserted section 825C (Special Assignee Relief Programme) into the Taxes Consolidation Act 1997 (TCA 1997). The section provided income tax relief for certain individuals assigned during any of the tax years 2012, 2013 and 2014 to work in the State.
- Section 15 of Finance Act 2014 extended the relief to include individuals assigned to work in the State during any of the tax years 2015, 2016 and 2017.
- Section 10 of Finance Act 2016 extended the relief to include individuals assigned to work in the State up to the end of 2020.
- Section 9 of Finance Act 2019 extended the relief to include individuals assigned to work in the State up to the end of 2022.
- The relief was then further extended by section 18 of Finance Act 2022 to include individuals assigned to work in the State up to the end of 2025.

2.2. Overview of the relief

SARP provides for income tax relief on a portion of income earned by certain employees assigned from abroad to work in the State by their relevant employer, or to work for an associated company in the State of that relevant employer, during any of the tax years 2012 to 2025.

For the years 2012 to 2014, SARP provided for relief from income tax on 30% of the employee's income between €75,000 (lower threshold) and €500,000 (upper threshold). The upper income threshold of €500,000 was removed for the years 2015, 2016, 2017 and 2018.

For the year 2019, an upper income threshold of €1 million applies for new entrants and for the year 2020 and subsequent years this threshold applies to all claimants. An employee who first arrives in the State after 1 January 2023 must receive a minimum annualised relevant income of €100,000 to benefit from the relief. For such employees, relief from income tax will be available on 30% of the employees' income between €100,000 (lower threshold) and €1 million.

The income which is disregarded for income tax purposes is **not** exempt from the charge to Universal Social Charge (USC) or PRSI.

The relief can be claimed for a maximum period of five consecutive years commencing with the year of first entitlement. Employees who qualify for relief under section 825C TCA 1997 may also receive, free of tax, certain expenses of travel and certain costs associated with the education of their children in the State.

Where conditions for the relief are satisfied, an employer must file a Form **SARP 1A** for each employee availing of SARP relief. The form must be certified by the employer within **90 days** (previously 30 days) of the employee's arrival in the State to perform the duties of his or her employment in the State. An employee who claims SARP is deemed to be a chargeable person for income tax purposes and must file an annual income tax return.

3. Definitions

"Relevant employer" means a company that is incorporated and tax resident in a country with which Ireland has a Double Taxation Agreement or a Tax Information Exchange Agreement.

"Associated company" means a company that is associated with the relevant employer. Under section 432 TCA 1997, a company shall be treated as another company's associated company at a particular time if, at that time or at any time within the previous year, either company has control over the other, or both companies are under the control of the same person or persons.

"Relevant income" includes all the relevant employee's income, profits and gains from the employment, but excludes the following:

1. benefits in kind and perquisites;
2. any bonus, commission or other similar payments;
3. termination payments;
4. shares or share-based remuneration; and
5. payments in relation to restrictive covenants.

"Relevant employee" is a person who fulfils the conditions set out below in Paragraph 4.

4. Conditions

The relief can be claimed by an individual who is a relevant employee and meets all of the following conditions:

(a) Immediately before being assigned to work in the State, he or she was a full-time employee of a relevant employer outside the State for a minimum period of 6 months (12 months for employees who were assigned in 2012, 2013 or 2014);

(b) He or she arrives in the State in any of the tax years 2012 to 2025, at the request of his or her relevant employer to perform, in the State, duties of his or her employment for that employer or to take up employment in the State with an associated company of that relevant employer and to perform duties in the State for that company;

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[…]

(c) He or she performs duties referred to in (b) above for a minimum period of 12 consecutive months in the State from the date he or she:

i. takes up residence in the State (position for tax years 2012, 2013 and 2014); or

ii. first performs those duties in the State (position for tax years 2015 to 2025).

An employer should only certify that the employee will meet this condition, where the contractual arrangements are such that the individual will perform such duties for at least 12 consecutive months in the State;

(d) If the employee first arrived in the State on or after 1 January 2023, then he or she must hold a Personal Public Service Number ("PPSN");

(e) He or she was not tax resident in the State for the 5 tax years immediately preceding the year of his or her arrival in the State to take up employment in the State;

(f) The employer certifies, within 90 days of the employee's arrival in the State by completing a Form SARP 1A, that:

i. the employee complies with conditions (a) to (d), and

ii. the employer must also confirm that it has complied with the PAYE commencement obligations as required under Regulation 17(2) of the Income Tax (Employments) Regulations 2018.

See Paragraph 15 regarding the employer certification requirement.

Some other points to note:

- There is no condition under SARP as to domicile. Accordingly, Irish citizens may avail of the relief where all other conditions are fulfilled.
- A relevant employee who first arrives in the State on or after 1 January 2023 must receive a minimum annualised basic salary of €100,000 to make a claim for SARP relief, excluding all bonuses, commissions or other similar payments, benefits or share based remuneration. For employees who first arrived here before this date, a minimum annualised employment income of €75,000 is required.

4.1. Presence in Ireland in the 6-month period prior to date of arrival

To qualify as a relevant employee, an individual must, for the whole of the 6 months immediately before arrival, be a full-time employee of a relevant employer and exercise the duties of his or her employment for that relevant employer outside the State.

For the purposes of the relief, the date of arrival is the date upon which an individual takes up residence in the State. Revenue applies these conditions as follows:

(i) Full-time employee of a relevant employer requirement

This requires the individual to be in full-time employment with a relevant employer for the whole of the 6-month period immediately before arrival.

As such, an individual who takes up employment with an associated company in the State prior to arrival will not qualify as a relevant employee for SARP purposes.

However, this exclusion will not apply in circumstances where an individual intends to take up employment with the associated company, but is prevented from travelling to the State to commence duties due to unforeseen circumstances outside of their control (e.g. delays with the issue of an employment permit). In such cases, the performance of pre-arrival duties outside the State for the associated company may be permitted, assuming these do not exceed 5 working days in total in this 6-month period.

(ii) Exercise of duties for relevant employer outside the State

This condition requires that the duties of employment are actually exercised outside the State in the 6-month period prior to arrival.

Revenue’s guidance on visits to the State in this period is outlined below:

(a) Visit for personal purposes

The presence in the State of an individual for a brief holiday or look-see visit in the 6-month period before arrival will not prevent the individual from qualifying as a relevant employee, assuming all other conditions are met.

(b) Visit for work purposes

The pre-arrival performance of employment duties in the State will not prevent an individual from qualifying as a relevant employee provided:

- the duties are performed under a foreign employment contract for a relevant employer; and
- the performance of duties in the State does not exceed 5 working days in total in the 6-month period.

It should also be noted that the performance of the duties of a non-Irish employment in the State may result in a PAYE withholding requirement for the relevant employer and further guidance in this regard is outlined in Tax and Duty Manual Part 42-04-65 (Employee payroll tax deductions in relation to non-Irish employments exercised in the State).

Summary

Date of Arrival	2012-2014	2015-2018	2019-2022	2023-2025
Period of employment with ‘relevant employer’ prior to arrival in State	12 Months	6 Months	6 Months	6 Months
Employment terms	Arrive in the State at the request of the relevant employer or to take up employment in the State with an associated company.	Arrive in the State at the request of the relevant employer or to take up employment in the State with an associated company.	Arrive in the State at the request of the relevant employer or to take up employment in the State with an associated company.	Arrive in the State at the request of the relevant employer or to take up employment in the State with an associated company.
Performance of duties in the State	Performance of the above **duties in the State** for a minimum of 12 consecutive months from date of first becoming **resident** in the State.	Performance of the above **duties in the State** for the relevant employer/associated company for a minimum of 12 consecutive months in the State from the date those duties were first performed in the State.	Performance of the above **duties in the State** for the relevant employer/associated company for a minimum of 12 consecutive months in the State from the date those duties were first performed in the State.	Performance of the above **duties in the State** for the relevant employer/associated company for a minimum of 12 consecutive months in the State from the date those duties were first performed in the State.
Incidental Duties	Any incidental duties performed outside the State that	No restriction on the performance of duties by the relevant employee of duties outside the State, including	No restriction on the performance of duties by the relevant employee of duties outside the State, including	No restriction on the performance of duties by the relevant employee of duties outside the State, including

	relate to the employment can be ignored.	during the first 12 months.[1]	during the first 12 months.	during the first 12 months.
Residence Position	Resident in the State and not resident elsewhere.	Resident in the State (no restriction on other residence).	Resident in the State (no restriction on other residence).	Resident in the State (no restriction on other residence).
Relevant Income	€75,000 lower threshold €500,000 upper threshold	€75,000 lower threshold No upper threshold	€75,000 lower threshold €1,000,000 upper threshold – (applicable from 2019 for new entrants and applies to all claimants for 2020 and subsequent years).	€100,000 lower threshold €1,000,000 upper threshold
Entitlement to claim relief	First tax year in which resident in the State and not resident elsewhere (2014 arrivals can claim if resident in the State in 2015 even if resident elsewhere).	First tax year in which resident in the State.	First tax year in which resident in the State.	First tax year in which resident in the State.

[1] This applies to relevant employees who first qualified for the relief in 2012, 2013 or 2014 in addition to employees who first qualify in any of the years 2015 to 2025.

Certification by Employer / Other	Yes – Form SARP 1.	Yes – Form SARP 1A within 30 days of arrival.	Yes – Form SARP 1A within 90 days of arrival.	Yes- Form SARP 1A certified by employer within 90 days of arrival. Employee must also hold a PPSN, and the employer must also confirm that it has complied with its obligations under Regulation 17(2) of the Income Tax (Employments) Regulations 2018.

5. Finance Act 2022 – additional requirements for new arrivals on or after 1 January 2023

Under section 18 Finance Act 2022, the following additional requirements must now be satisfied for an individual to qualify as a relevant employee for SARP purposes. These requirements apply to employees who first arrive in the State on or after 1 January 2023.

5.1. The relevant employee must hold a PPSN

With effect from 1 January 2023, a new arrival must obtain a PPSN within 90 days of arrival in the State, this being the deadline for the submission of the employer certification. If the employee does not have a PPSN upon travelling to the State, the employee should be referred to the Department of Social Protection (DSP) to obtain one.

SARP provides for income tax relief on a portion of income earned by certain employees (“special assignees”) who are assigned from abroad to work in the State by their relevant employer, or to work for an associated company in the State of that relevant employer. Aside from the income tax relief due to employees who are eligible for the relief, SARP reduces the costs to employers of such assignments and assists with business expansion and employment creation. It is expected that an employee who qualifies for the relief and claims such relief accordingly will take all necessary steps to apply for the PPSN as soon as possible after arrival, to ensure prompt processing of the employer certification. Failure to meet the PPSN requirements on time will jeopardise the employee’s entitlement to the relief for the duration of his or her contract. The PPSN is a critical requirement of the scheme, and it is also expected that the relevant employee’s employer will make the individual aware of the PPSN requirements as quickly as possible and will provide appropriate assistance to ensure that the PPSN application is submitted promptly.

Any queries in relation to PPSNs are a matter for the Department of Social Protection. Detailed information on the process of obtaining a PPSN is available here.

5.2. Compliance with requirements under Regulation 17(2) of the Income Tax (Employments) Regulations 2018 (S.I. No. 345 of 2018)

Regulation 17(2) requires an employer to send various particulars concerning the employee to the Revenue Commissioners to enable the registration of an employment for PAYE purposes. This is a general requirement of the particular PAYE Regulation which must be complied with by an employer at the time when the employee commences employment.

With respect to cases where an individual works in Ireland under a foreign employment contract, for example, in cases where the employment is already in existence prior to arrival in the State, the date of commencement is considered to be the date when the foreign employment income first becomes chargeable to tax under Schedule E, i.e. at the point when the foreign employment income becomes within the PAYE system of withholding.

6. Thresholds

For clarification, there are two separate and distinct thresholds that must be considered for SARP –

(a) the €75,000 annualised relevant income threshold for the purposes of claiming the relief, which is increased to €100,000 for new entrants from 2023, and

(b) the €75,000 threshold used in calculating the tax relief, which is increased to €100,000 for new entrants in 2023, 2024, 2025 tax years (the existing €75,000 threshold will continue for qualifying employees who arrive before 1 January 2023).

As noted in Paragraph 4, before a relevant employee is entitled to claim the relief, he or she must earn “relevant income” of not less than €75,000 per annum (€100,000 per annum for new entrants from 2023), i.e., his or her basic salary before benefits, bonuses, commissions, share based remuneration, etc. must not be less than €75,000/€100,000, as applicable.

See example 1 in Appendix 1.

7. Calculation of the Relief

Where, for a tax year, a relevant employee satisfies the conditions at Paragraph 4 and makes a claim for the relief, he or she will be entitled to have the tax relief granted by way of calculating what is known as the “specified amount” and relieving

that specified amount from the charge to income tax. The specified amount is determined by the formula:

(A-B) × 30%

where –

A: is the amount of the relevant employee's income, profits or gains from his or her employment in the State with a relevant employer or associated company, excluding expenses and amounts not assessed to tax in the State and net of any superannuation contributions.

For the years 2012, 2013 and 2014, where this amount exceeds €500,000, 'A' is capped at €500,000 (the "upper threshold").

For the years 2019 (for new entrants only) and 2020 onwards (for all claimants), where this amount exceeds €1,000,000, 'A' is capped at €1,000,000 (the "upper threshold").

B: is €75,000, but in the case of a relevant employee who arrives in the State in 2023, 2024 and 2025, "B" shall be €100,000.

The specified amount is exempt from income tax but is not exempt from the USC. In addition, the specified amount is not exempt from PRSI, unless the employee is relieved from paying Irish PRSI under either an EU Regulation or under a bilateral agreement with another jurisdiction.

For the purposes of calculating 'A' in the definition of specified amount, all income from the employment is included (e.g. bonuses, commission or other similar payments, benefits in kind and share based remuneration).

However, as noted above, any amount on which relief for pension contributions has been obtained is excluded as are amounts paid in respect of expenses.

In addition, where an individual is entitled to double taxation relief for foreign tax, that part of the income on which relief is claimed should be excluded in calculating the specified amount. This would arise where an employee is entitled to claim a foreign tax credit for non-refundable foreign tax payable on the employment income. The employment income which is subject to non-refundable foreign income tax should be excluded when calculating ´A´ in the definition of the specified amount.

Similarly, the provisions of a double taxation agreement may restrict Irish taxing rights on the employment income to income which is derived from the exercise of employment duties in the State. The employment income, which is exempted from Irish tax, this being income which is derived from the exercise of employment duties outside the State, should be excluded when calculating ´A´ in the definition of the specified amount.

See examples 2 - 8 in Appendix 1.

7.1. SARP relief and tax equalisation

7.1.1. Tax equalisation arrangements

Tax equalisation is a common feature of international assignments. In summary, it is a policy widely used by companies with mobile employees to ensure that an employee is neither better nor worse off financially, from a tax perspective, for having accepted an international assignment.

With respect to an inbound assignee to Ireland who works in the State under a tax equalisation arrangement, the overseas employer typically bears all the actual home and host country tax due on the employment income. The employee's contribution to the tax burden is the home payroll hypothetical tax deductions which approximate the level of home country tax which would have been incurred by the assignee had he/she not undertaken an assignment to Ireland. For Irish tax purposes, an assignee who works here under a tax equalisation arrangement will have their home country net payroll income re-grossed for Irish PAYE purposes, as the employer has agreed to fund the Irish tax liability arising on the tax equalised employment income.

Further information on Revenue's treatment of tax equalisation arrangements can be found in TDM Part 02-04-01- Tax Equalisation Arrangements.

7.1.2. Calculation of SARP relief in tax equalisation cases

Revenue considers that the terms of a tax equalisation arrangement is a matter for an assignee and his/her employer and as such, the provisions of section 825C TCA 1997 are to be interpreted without regard to a tax equalisation arrangement in place or otherwise between a "relevant employee" and his/her employer.

The calculation of the re-grossed home country net employment income raises an issue as to whether the entitlement to SARP relief may be included in the calculation of the re-grossed income. Revenue's position on this issue is outlined below.

SARP relief operates by allowing a relevant employee to deduct a "specified amount" from the employment income to be assessed on the employee for a tax year. As such, the relief applies to the employment income which is assessable to tax and not in the initial calculation of the employment income (a situation which necessarily arises where the assignee's taxable income must be calculated through a re-grossing exercise).

By taking account of an employee's entitlement to SARP when calculating the re-grossed employment income in tax equalised cases, the overall level of the assignee's assessable employment income for income tax and USC purposes would be reduced. This form of relief is not provided for in section 825C TCA 1997 and this is confirmed in a decision of the Tax Appeals Commission (143TACD2023).

In accordance with the above, the calculation of re-grossed income in tax equalised cases where SARP is available should not take account of the assignee's entitlement to SARP; instead, the net income should be re-grossed in line with the income tax, USC and PRSI (if applicable) liabilities applying to the employment income (for PAYE purposes this is calculated in accordance with the information provided in the Revenue Payroll Notification (RPN) for the assignee).

SARP relief may apply to the re-grossed income figure as calculated, whether this is claimed by the relevant employee through the PAYE system or through the Form 11 tax return.

See example 21 in Appendix 1.

Position from 2024

Due to the complex nature of the issue and the technical uncertainties that have arisen, Revenue acknowledges that different approaches may have been adopted by relevant employers when calculating the re-grossed employment income of a relevant employee for PAYE purposes in SARP cases. In such cases, Revenue requires that the correct methodology be followed by employers for PAYE purposes with effect from 1 January 2024.

For the avoidance of doubt, Revenue will not require the relevant employer or associated company to re-calculate and report the prior-year employment income in accordance with the correct methodology, in cases where the calculation of the re-grossed income for PAYE purposes took account of a relevant employee's entitlement to SARP. In addition, Revenue will not require a relevant employee to submit amended prior year tax return(s) to report an adjusted taxable employment income figure.

7.1.3. Calculation of SARP relief in re-grossed net pay/benefit cases

Where a SARP claimant is not tax equalised, but is in receipt of a net allowance/benefit, the employer will be required to re-gross the net allowance/benefit for Irish tax purposes. As per the position which applies to the calculation of re-grossed in tax equalisation cases, SARP relief should not be incorporated into the calculation of the re-grossed income.

SARP relief may apply to the re-grossed income figure as calculated, whether this is claimed by the relevant employee through the PAYE system or through the Form 11 tax return.

It should be noted that a re-gross calculation is not required where a benefit provided to the employee is not chargeable to tax, whether under SARP (e.g., the payment of an annual home leave cost), or where the costs of relocation to the State are not chargeable to tax, as outlined in TDM Part 05-02-03 Removal and Relocation Expenses.

8. Expenses

Income from the relevant employment is deemed not to include any amount paid in respect of expenses incurred in the performance of the duties of the relevant employment. Expense amounts are not included for the purposes of eligibility for SARP or for calculating the SARP tax relief.

See example 9 in Appendix 1.

9. Year of First Entitlement to Relief

a) Employees who arrive in 2012, 2013 or 2014

A relevant employee's first year of entitlement to SARP relief will in general be the year he or she arrives in the State to carry out the duties of employment. However, where a relevant employee who arrives in the State in the tax year 2012, 2013 or 2014 is either:

- not tax resident in the State in the year of arrival, or
- tax resident in the State in that year and also tax resident elsewhere in that year,

that employee is first entitled to claim relief in the year following the year of arrival into the State to carry out the duties of the employment.

This is provided that he or she is tax resident in the State in that following tax year and, for the years 2012, 2013 and 2014, as appropriate, is not also resident elsewhere in those years.

See examples 10 - 12 in Appendix 1.

b) Employees who arrive in the State in any of the tax years 2015 to 2025

Where a relevant employee arrives in the State in any of the tax years 2015 to 2025, he or she is entitled to SARP in the first tax year he or she arrives in the State to carry out the duties of the employment, provided he or she is resident in the State in that year. That is notwithstanding the fact that he or she may also be resident elsewhere.

See example 13 in Appendix 1.

Note: Election to be Resident

Where an individual is not tax resident in the State in the year of arrival, he or she may elect to be resident in the State in that year provided he or she satisfies the conditions set out in section 819(3) TCA 1997. However, that individual should bear in mind the consequences of such election. For example, an election to be resident in the State may bring some or all of the individual's foreign income for that year within the charge to tax in the State.

In practice, many employees availing of SARP elect to be resident during the tax year of arrival so that SARP relief can be granted on a real-time basis, by way of non-deduction of tax under the PAYE system. Alternatively, the employee can elect to be tax resident when filing their Income Tax Return Form 11. However, in that scenario, there will be an inevitable timing difference in the employee obtaining the SARP relief.

10. Part Year Apportionment

Where, in the year of arrival or year of departure, a relevant employee holds an employment for less than an entire tax year, the tax relief will be reduced proportionately.

Treatment for 2012, 2013 and 2014

For the tax years 2012, 2013 and 2014, the reduction in tax relief is achieved by adjusting the upper and lower thresholds based on the time spent in the State.

See example 14 in Appendix 1.

Treatment for 2015 and Subsequent Years

For the year 2015 and subsequent years, where in the year of arrival or departure from the State, a relevant employee holds an employment for less than an entire tax year; 'B' in the definition of specified amount must be reduced proportionately.

See examples 15 - 18 in Appendix 1.

11. Duties Performed Outside the State

For the years 2012, 2013 and 2014, where an individual is outside the State performing duties of the employment that are regarded as non-incidental, then the thresholds are reduced to take account of the time outside the State performing such non-incidental duties. However, where an individual is outside the State for the purposes of performing incidental duties, the time spent outside the State on such duties is ignored. Incidental duties for this purpose include, for example, attending training days, performance reviews, etc.

For the year 2015 and subsequent years, there is no restriction on the performance of duties outside the State by the relevant employee for the relevant employer or associated company and, as such, there is no requirement to reduce the thresholds to take account of the time outside the State performing these duties. This applies (for the year 2015 and subsequent years) to relevant employees who arrived in the State in 2012, 2013 and 2014 as well as to employees who arrive in the State in any of the tax years 2015 to 2025.

While there may be no restriction on the performance of duties outside the State by the relevant employee, the relevant employee must perform some duties in the State for a minimum period of 12 consecutive months from the date he or she first performs those duties in the State.

See example 20 in Appendix 1.

12. Relief for Foreign Tax

Where an individual is entitled to relief for foreign tax, that part of the income on which foreign tax relief is due is excluded in calculating the specified amount.

See example 19 in Appendix 1.

13. Travel Costs and Tuition Fees

In any tax year in which a relevant employee is entitled to make a claim for SARP relief, the following payments or reimbursements by the relevant employer or associated company of the relevant employer will not be chargeable to tax:

(a) the reasonable costs associated with **one** return trip from the State for the relevant employee, his or her spouse or civil partner, and a child or children of the relevant employee or of the relevant employee's spouse or civil partner, to:

   (i) the country of residence of the relevant employee prior to his or her arrival in the State,

   (ii) the country of residence of the relevant employee at the time of first employment by the relevant employer, or

   (iii) the country in which the relevant employee or his or her spouse is a national,

and

(b) the cost of school fees, not exceeding €5,000 per annum for each child of the relevant employee or for each child of his or her spouse or civil partner, paid to a school established in the State which has the approval of the Minister for Education for the purposes of providing primary or post-primary education to students.

The payment/reimbursement of travel costs/tuition fees referred to at (a) and (b) above is not subject to USC or PRSI.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

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14. Interaction of SARP with Other Reliefs

Where a relevant employee is entitled to SARP relief, no relief will be given in respect of the following:

- Foreign Earnings Deduction - section 823A TCA 1997
- Transborder Workers' Relief - section 825A TCA 1997
- Research & Development Relief - section 472D TCA 1997

The remittance basis does not apply to income from the employment where SARP relief is claimed.

15. Employer Certification and Reporting

15.1. Form SARP 1A

In order for an individual to be regarded as a "relevant employee", the individual's relevant employer or the associated company must certify that the individual complies with the following conditions (which are set out in further detail in Paragraph 4) –

- the 6-month period is met,
- the individual is moving to the State at the request of the relevant employer to perform the duties of the employment, and
- the duties will be performed for a minimum period of 12 consecutive months from the date he/she first performs those duties in the State.

For employees arriving in the State in any of the tax years 2015 to 2025, certification is required to be made by the relevant employer or associated company on Form SARP 1A**,** for each employee availing of SARP relief, within **90 days (previously 30 days) of the employee's arrival in the State** to perform the duties of his or her employment in the State.

The employer certification requirement is a condition to be satisfied in order for the employee to qualify as a "relevant employee" for SARP purposes. A failure on the part of a relevant employer or associated company part to certify a Form SARP 1A within the 90-day time limit will result in the employee being ineligible to claim SARP.

The Form SARP 1A is also the form used by a relevant employer or associated company to apply to Revenue for permission to grant SARP relief to a relevant employee through the PAYE system.

15.1.1. E-Form SARP 1A

As and from 1 January 2024, the Form SARP 1A may be certified through an online e-portal which is available through ROS. The Guide to Completing the Online SARP 1A and SARP Employer Return is available at the following link:

https://www.revenue.ie/en/personal-tax-credits-reliefs-and-exemptions/income-and-employment/special-assignee-relief-programme/index.aspx

In cases where a relevant employer or associated company is unable to provide a certification through the online portal, this may be done using a paper Form SARP 1A. To make a request for a paper version of the Form SARP 1A, the relevant employer or associated company should write to -

National SARP Unit

9/15 Upper O'Connell Street

Dublin 1

D01 YT32

When making a request for a paper Form SARP 1A, the following details should be provided to the National SARP Unit:

- Name of the relevant assignee
- Address and PPSN (if know)
- The date (DD/MM/YYYY) relevant employee first arrived in the State to perform duties of employment in the State
- Name and address of the company for whom the relevant employee performs duties of employment in the State

15.2. Annual Reporting Requirement

The employer must complete and file a SARP Annual Return. The Annual Return must be made on or before **23 February after the end of each tax year**.

The relevant employer or associated company of that relevant employer is required to set out certain information in respect of each relevant employee, for example –

- His or her name and PPS number,

- His or her nationality,
- The country in which the relevant employee worked for the relevant employer prior to his or her first arrival in the State to perform duties of the relevant employment, and
- The amount of income, profits or gains in respect on which tax was not deducted.

The relevant employer or associated company must provide details of the increase in the number of employees, and details of the number of employees retained by the company, as a result of the operation of the SARP.

An employer does not need to submit an amended Employer Return after their employees have claimed SARP Relief on their Form 11.

With effect from 1 January 2024, the annual SARP employer return may be completed and submitted through the online SARP e-portal. The Guide to Completing the Online SARP 1A and SARP Employer Return is available at the following link:

https://www.revenue.ie/en/personal-tax-credits-reliefs-and-exemptions/income-and-employment/special-assignee-relief-programme/index.aspx

Department of Finance Annual SARP Report

Revenue is required to provide statistics to the Department of Finance in relation to the uptake of SARP in order that the Department may publish the annual SARP Report. It is important, therefore, that each employer with employees eligible for SARP relief completes and files the relevant SARP forms within the statutory timeframes.

The annual report is published on Revenue's website - available here.

16. Employee Reporting Requirement

A relevant employee who receives SARP relief is deemed to be a chargeable person for the purposes of self-assessment to income tax and, therefore, he or she is required to submit a return of income, Form 11, to Revenue in respect of each year for which relief is claimed. A Form 11 may be filed through e-Form 11 using Revenue's On-Line Service (ROS). Filing e-form 11 using ROS will ensure that the SARP claim will be finalised quickly by Revenue.

An employer can make an application to Revenue to grant SARP relief at source in real time through payroll (via e-Form SARP 1A or Part C Form SARP 1A). The employer is required to make such an application only once. Provided the employee continues to satisfy all SARP conditions throughout the relevant period, relief can

continue to be given through payroll for the duration of that period of assignment for a maximum of five consecutive tax years.

17. Compliance

An individual who is given relief in advance of satisfying the condition that requires him or her to perform duties in the State for a minimum period of 12 consecutive months and who subsequently fails to meet that condition will be assessed to tax in the normal manner and the relief claimed will be withdrawn.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[…]

Appendix 1 - Worked Examples

In all examples in this Manual, references to ‘earns’ and ‘earnings’ are to be taken to mean earns or earnings from employment with a relevant employer or with an associated company to which the employee has been assigned.

Example 1 – Thresholds

Greg earns €84,000 per annum including benefit in kind valued at €14,000. He arrived in Ireland in 2022. As an individual must have a minimum relevant income of €75,000 to be eligible to claim the relief, Greg is not entitled to claim the relief as his income less benefits is less than the threshold of €75,000.

As regards calculating the tax relief, once it is clear that a relevant employee's relevant income is €75,000 (€100,000 for new arrivals on or after 1 January 2023) or more, then all income (including benefits in kind, bonuses, etc.) should be included when calculating the relief, with relief only being available on income in excess of €75,000 (or €100,000, as the case may be).

Example 2 – The Relief/Specified Amount

Leo is a relevant employee who earns €600,000 in 2012. Under SARP, €127,500 of Leo's income is disregarded for income tax purposes and he is entitled to income tax relief of €52,275. This is calculated as follows:

A = €500,000 (income restricted to the 'upper threshold' in 2012)

B = €75,000

Specified amount: (€500,000 - €75,000) x 30% = €127,500

While €127,500 of Leo's income is relieved from income tax, it remains liable to the USC and, depending on Leo's circumstances, may also be liable to PRSI.

Relief due for 2012 is €52,275 (€127,500 @ 41%).

Example 3 – The Relief/Specified Amount

Jane is a relevant employee who arrived in Ireland on 1 January 2019 and earns €1,500,000 in 2019. Under SARP, €277,500 of Jane's income is disregarded for income tax purposes and she is entitled to income tax relief of €111,000. This is calculated as follows:

A = €1,000,000 (income restricted to the 'upper threshold' in 2019)

B = €75,000

Specified amount: (€1,000,000 - €75,000) x 30% = €277,500

While €277,500 of Jane's income is relieved from tax, it remains liable to the USC and, depending on Jane's circumstances, may also be liable to PRSI.

Relief due for 2019 is €111,000 (€277,500 @ 40%)

Example 4 – The Relief/Specified Amount

Carla is a relevant employee who arrived in Ireland on 29 December 2018 and earns €1,800,000 in 2019. Under SARP €517,500 of Carla's income is disregarded for income tax purposes and she is entitled to income tax relief of €207,000. This is calculated as follows:

A = €1,800,000 (no restriction as Carla first arrived in Ireland on or before 31 December 2018, however from 1 January 2020 the €1m upper threshold will apply to her earnings)

B = €75,000

Specified amount: (€1,800,000 - €75,000) x 30% = €517,500

While €517,500 of Carla's income is relieved from income tax, it remains liable to the USC and, depending on Carla's circumstances, may also be liable to PRSI.

Relief due for 2019 is €207,000 (€517,500 @ 40%)

Example 5 - The Relief/Specified Amount

Mary is a 35-year-old relevant employee, who earns €200,000 per annum, including benefit in kind valued at €20,000. Mary arrived here in May 2018 and made a contribution to her pension of €23,000 (€115,000[2] @ 20%). As Mary's income less benefits, exceeds the threshold of €75,000 for eligibility, she is entitled to claim the relief. The relief is calculated as follows:

A = (€200,000 - €23,000) = €177,000

B = €75,000

Specified Amount: (€177,000 - €75,000) x 30% = €30,600

While €30,600 of Mary's income is relieved from income tax, it remains liable to the USC and, depending on Mary's circumstances, may also be liable to PRSI.

Relief due for 2018 is €12,240 (€30,600 @ 40%).

Example 6 - The Relief/Specified Amount

Elaine is a relevant employee who arrived here in 2017 and earns €650,000. Under SARP, €172,500 of Elaine's income is disregarded for income tax purposes and she is entitled to income tax relief of €69,000. This is calculated as follows:

A = €650,000 (no restriction on income for 2017)

B = €75,000

Specified amount: (€650,000 - €75,000) x 30% = €172,500

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[2] While Mary's employment income was €200,000, legislation imposes a limit of €115,000 on the amount of earnings that can be included for the purposes of calculating relief for pension contributions.

While €172,500 of Elaine's income is relieved from income tax, it remains liable to the USC and, depending on Elaine's circumstances, may also be liable to PRSI.

Relief due for 2017 is €69,000 (€172,500 @ 40%).

Example 7 - The Relief/Specified Amount

Andy is a relevant employee who first qualified for SARP in 2013 and continued to qualify in 2014 and 2015. He earns €750,000 per annum.

In 2013 and 2014, Andy's specified amount was calculated as follows:

A = €500,000 (income restricted to the 'upper threshold' in 2013 and 2014)

B = €75,000

Specified amount: (€500,000 - €75,000) x 30% = €127,500

While €127,500 of Andy's income is relieved from income tax, it remains liable to the USC and, depending on Andy's circumstances, may also be liable to PRSI.

Relief due for 2013 and 2014 is €52,275 (€127,500 @ 41%).

In 2015 Andy's relief increases as the "upper threshold" restriction doesn't apply, his relief for 2015 is calculated as follows:

A = €750,000 (no restriction on income for 2015)

B = €75,000

Specified amount: (€750,000 - €75,000) x 30% = €202,500

While €202,500 of Andy's income is relieved from income tax, it remains liable to the USC and, depending on Andy's circumstances, may also be liable to PRSI.

Relief due for 2015 is €81,000 (€202,500 @ 40%).

Example 8 - The Relief/Specified Amount

Eddie is a relevant employee who arrived here in 2020 and earns €700,000. Eddie is entitled to double taxation relief in respect of €100,000 of his income from the employment. Eddie's specified amount is calculated as follows:

A = (€700,000 - €100,000) = €600,000

B = €75,000

Specified amount: (€600,000 - €75,000) x 30% = €157,500

While €157,500 of Eddie’s income is relieved from income tax, it remains liable to the USC and, depending on Eddie’s circumstances, may also be liable to PRSI.

Relief due for 2020 is €63,000 (€157,500@ 40%).

Example 9 – Expenses

John is a 38-year-old relevant employee who arrived here in 2021 and earns €400,000. He was also reimbursed qualifying expenses of €15,000. John made a contribution to his pension of €23,000 (€115,000[3] @ 20%). The expenses that were reimbursed are not taken into account in calculating the relief.

John’s relief is calculated as follows:

A = (€400,000 - €23,000) = €377,000

B = €75,000

Specified amount: (€377,000 - €75,000) x 30% = €90,600

While €90,600 of John’s income is relieved from income tax, it remains liable to the USC and, depending on John’s circumstances, may also be liable to PRSI.

Relief due for 2021 is €36,240 (€90,600 @ 40%).

Example 10 – Year of First Entitlement to Relief

Dominic arrived in this State from Spain on 1 October 2012 on a 6-year contract. He is not tax resident in the State in 2012.

However, as Dominic becomes tax resident in the State in 2013, he is entitled to claim relief under SARP and his first year of claim will be 2013. He can continue to claim the relief up to and including 2017 (i.e. 5 consecutive tax years) provided he satisfies the relevant conditions in those years.

Example 11- Year of First Entitlement to Relief

Maria arrived in the State from Italy on 1 June 2013. Maria is resident in the State under the residence rules contained in Irish domestic legislation and is also resident in Italy for 2013 under Italian rules. She will not be resident in Italy in 2014.

As Maria has dual tax residence in 2013, she is not entitled to claim relief in that year. However, as Maria satisfies all of the other conditions and as she is solely tax

[3] While John´s employment income was €400,000, legislation imposes a limit of €115,000 on the amount of earnings that can be included for the purposes of calculating relief for pension contributions.

resident in Ireland in 2014, she is entitled to claim relief under SARP and her first year of entitlement is 2014.

An individual who arrives in the State in 2014 and who is not tax resident in the State in that year is, if tax resident in 2015, first entitled to relief in 2015 notwithstanding the fact that he or she may also be resident elsewhere in 2015. Such an individual is entitled to relief in 2015 because the more relaxed SARP conditions which apply from 1 January 2015 apply to all assignees from that date.

Example 12 - Year of First Entitlement to Relief

Carolina arrived in this State from Spain on 1 October 2014 on a 3-year contract. Carolina is resident in Spain in 2014 and will continue to be resident there for future years. Carolina is not tax resident in the State in 2014.

As Carolina is not tax resident in the State in 2014 and is tax resident in Spain that year, she is not entitled to relief in 2014. However, as Carolina will be tax resident in the State in 2015, she is first entitled to relief in that year, notwithstanding the fact that she will continue to be resident in Spain in that year.

Example 13 - Year of First Entitlement to Relief

Lucia arrived in this State from Spain on 1 July 2020. Under the residence rules contained in Irish domestic legislation, she is tax resident in the State for 2020 as she will be here for more than 183 days. Although she may also be resident in Spain for 2020 under Spanish rules, this does not preclude her from claiming SARP for 2020 (i.e. the year of arrival).

If Lucia arrived in the State on 1 October 2020, she is not resident in the State for the year of arrival. Therefore, Lucia is first entitled to claim relief in 2021 i.e. the year following the year she arrived in the State to carry out the duties of her employment. That is provided she is resident in the State for 2021.

Note: Election to be Resident

Where an individual is not tax resident in the State in the year of arrival, he or she may elect to be resident in the State in that year provided he or she satisfies the conditions set out in section 819(3) TCA 1997. However, that individual should bear in mind the consequences of such election. For example, an election to be resident in the State may bring some or all of the individual's foreign income for that year within the charge to tax in the State.

Therefore, in the above example Lucia may elect to be tax resident in the State in 2020, in which case 2020 will be her first year of entitlement to relief. However, as she will have been in the State for less than an entire tax year her relief will be reduced proportionately.

Example 14 – Part Year Apportionment

Elizabeth is a relevant employee who arrived in the State on 30 April 2012. In 2012, she earns €575,000, including benefit in kind valued at €15,000.

The relief is calculated as follows:

A = (€500,000 (max) x 8/12) = €333,333

B = (€75,000 x 8/12) = €50,000

Specified amount: (€333,333 – €50,000) x 30% = €85,000

While €85,000 of Elizabeth's income is relieved from income tax, it remains liable to the USC and, depending on Elizabeth's circumstances, may also be liable to PRSI.

Relief due for 2012 is €34,850 (€85,000 @ 41%).

Example 15 - Part Year Apportionment

Andrew is a relevant employee who arrived in this State on 30 May 2021. In 2021 he earns €675,000. His relief is calculated as follows:

A = €675,000

B = (€75,000 x 7/12) = €43,750

Specified Amount: (€675,000 – €43,750) x 30% = €189,375

While €189,375 of Andrew's income is relieved from tax, it remains liable to the USC and, depending on Andrew's circumstances, may also be liable to PRSI.

Relief due for 2021 is €75,750 (€189,375 @ 40%).

While 'A' is not directly apportioned based on time, it may be necessary to adjust 'A' depending on the circumstances of each employee. For instance, if the employee is entitled to double taxation relief on a portion of his or her income from the employment, that amount of income is excluded from 'A'. In addition, if part of the income earned by the relevant employee is not within the charge to tax in the State, 'A' is reduced accordingly.

Example 16 - Part Year Apportionment

If the €675,000 earned by Andrew in example 13 included income of €100,000 for which Andrew is entitled to double taxation relief, then 'A' would be reduced by €100,000 giving Andrew relief as follows:

A = (€675,000 - €100,000) = €575,000

B = (€75,000 x 7/12) = €43,750

Specified amount: (€575,000 - €43,750) x 30% = €159,375

While €159,375 of Andrew's income is relieved from income tax, it remains liable to the USC and, depending on Andrew's circumstances, may also be liable to PRSI.

Relief due for 2021 is €63,750 (€159,375 @ 40%).

Example 17 - Part Year Apportionment

Patrice arrived in the State on 1 October 2021. In the period prior to her arrival in the State, Patrice earned €400,000 and for the remainder of the year Patrice earned €150,000. Patrice is not resident in the State. However, before the end of the tax year, she elected to be resident (in accordance with section 819(3) TCA 1997) and she also claimed split year treatment (in accordance with section 822 TCA 1997).

Patrice is entitled to claim SARP for 2021. However, while her income for the year is €550,000, because Patrice elected for split year treatment, her income from her employment prior to her arrival in the State falls outside the charge to tax in the State. Therefore, she is only entitled to claim SARP on the €150,000 earned subsequent to her arrival in the State.

A = (€550,000 - €400,000) = €150,000

B = €18,750 (€75,000 reduced proportionately 3/12),

Specified amount: (€150,000 - €18,750) x 30% = €39,375

While €39,375 of Patrice's income is relieved from income tax, it remains liable to the USC and, depending on Patrice's circumstances, may also be liable to PRSI.

Relief due for 2021 is €15,750 (€39,375 @ 40%).

As detailed in Paragraph 4, an employee must have relevant income of not less than €75,000 **per annum** before he or she is eligible for SARP. Where an individual arrives or leaves part way through the year, it is the annualised salary that must meet the €75,000 threshold rather than the amount earned during the period spent in the State.

Example 18 - Part Year Apportionment

Todd arrived in the State on 1 June 2021 and earned €35,000 in the period from June to December. As the annualised equivalent of Todd's salary is only €60,000, Todd is not entitled to SARP as he does satisfy the minimum income threshold of €75,000.

Example 19 – Relief for Foreign Tax Paid

Bernard is a relevant employee. In 2021, he is sent by his relevant employer to work in the State for an associated company of his relevant employer in France. Bernard

earned €350,000 from the duties exercised in the State and a further €150,000 from the performance of duties in France.

Under the terms of the Ireland/France double taxation agreement, the French authorities are entitled to tax his French income and the tax is non-refundable. Ireland as the country of residence must give credit for the foreign tax deducted. Therefore, Bernard's SARP relief is calculated as follows:

A = (€500,000 – €150,000) = €350,000

B = €75,000

Specified amount: (€350,000 - €75,000) @ 30% = €82,500

Relief due for 2021 is €33,000 (€82,500 @ 40%)

Example 20 – 12 consecutive months requirement

Peter arrived in the State on 5 January 2021 to take up employment with an associated company of his UK employer. His first Irish workday was 11 January 2021. Upon arrival, he qualified as a relevant employee for SARP purposes and certification of his entitlement to claim the relief was submitted by his employer to Revenue within 90 days of his arrival. An approval letter issued from Revenue thereafter.

His employer has a remote working policy which allows all employees to perform some or all duties of employment away from its headquarters. In line with this policy, Peter performs some of his employment duties at his home in Dublin. He also returns frequently to the UK for personal reasons and on occasion performs his employment duties there.

Peter took annual leave in late July 2021, which he spent in the UK. After returning from annual leave in mid-August 2021, he continued to work remotely for his Irish employer in the UK. He returned to the State in September 2021, where he continues to work.

As Peter did not spend any time working in Ireland in August 2021, he does not satisfy the requirement that he perform duties in Ireland in each of the twelve consecutive months following his arrival in January 2021. On this basis, he becomes ineligible for SARP relief, and his employer is required to notify Revenue as such.

Example 21 – Tax equalisation

The following example summaries the treatment, for SARP purposes, of the employment income of an inbound assignee to Ireland who works here under a tax equalisation arrangement and is eligible to claim SARP relief.

The assignee's compensation package is the following:

Gross home country employment income: €200,000
Home country hypothetical tax deductions: (€75,000)

Net income: €125,000

In line with the guidance provided in TDM Part 02-04-01- Tax Equalisation Arrangements, his overseas employer is required to re-gross this net amount for Irish PAYE purposes as follows:

2023 Irish Tax computation			
			Euro €
Net compensation			125,000
Gross- up			80,135
Taxable income **(A)**			205,135
Income Tax			
	Euro €		
Married with one income	49,000	20%	9,800
	156,135	40%	62,454
	205,135		72,254
Less: Credits			
	Personal	3,550	
Tax Due	Employee PAYE	1,775	(€ 5,325)
			66,929
USC	12,012	0.5%	60
	10,908	2.0%	218
	47,124	4.5%	2,121
USC Due	135,091	8.0%	10,807
	205,135		13,206
Total Income Tax & USC Due (B)			**80,135**
Net compensation (A - B)			**125,000**

When calculating the re-grossed income, the overseas employer cannot take account of the relevant employee's eligibility for SARP relief and, as such, SARP does not feature in the above calculatoin.

Instead, SARP relief is to be applied to the re-grossed figure as calculated above (i.e. €205,135). This results in an income saving of €12,616, as calculated below.

Employment income	€205,135
Less:	
Specified amount	(€100,000)
	€105,135
SARP relieved income (30%)	€31,541
Income tax saving (40%)	€12,616

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[…]