

Non-resident students exercising a short-term employment in the State

Part 45-01-02

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1. Introduction

This manual concerns:

- (a) non-resident students who are entitled to personal tax credits, and
- (b) the circumstances where a PAYE exclusion order may be issued in respect of such a student who comes to work in the State on a temporary basis as part of an exchange programme run by certain student organisations.

2. Foreign students exercising an employment in the State

Foreign students who come to work in Ireland on a temporary basis from countries with which Ireland has a Double Taxation Agreement (DTA) may be entitled to a proportion of personal tax credits under Section 1032 Taxes Consolidation Act 1997 (see manual 45.01.01) or under the terms of the relevant DTA.

In some cases, such as students engaged as au-pairs, hotel/catering staff on work experience, etc. (other than students to which Paragraph 3 of this manual applies) the issue of a notice of tax credits (with full personal credits) on a Week One/Month One Basis may be an appropriate way of granting a proportion of the personal tax credits.

For foreign students who come to work in the State as part of an exchange programme run by certain student organisations, an exclusion order may be issued in cases where the requirements set out in Paragraph 3 below are met.

3. PAYE exclusion orders – Foreign Students

PAYE exclusion orders may be granted for foreign students coming to work in the State on a temporary basis as part of an exchange programme run by one of the following student organisations:

- The Union of Students in Ireland (USI)
- International Association for the Exchange of Students for Technical Experience (IAESTE)
- Association Internationale des Étudiantes en Science Économique et Commerciales (AIESEC - International Association of Students in Economic and Commercial Sciences).

The following conditions must be satisfied:

- the period in the State must not exceed four months,
- the student's earnings do not exceed the amount covered by the single person's tax credit, and
- the application for exemption must be made through the student organisation, and must include the following information –
 - (a) the name and address of the student's employer,
 - (b) the date employment commenced,
 - (c) the rate of pay,
 - (d) the date the student arrived in the State, and
 - (e) the date the student intends to depart from the State.

A PAYE exclusion order will be issued in respect of

- only one employment and
- should be dated from the first day of employment but should not exceed four months from the date the student arrives in the State.

The student organisation should retain the following documents, which should be made available to Revenue, if requested:

- (i) a copy of the student's application to the programme and
- (ii) a copy of the student's work permit (where one is required by law).

A PAYE Exclusion Order for a student in this category should be endorsed with the following statement:

This PAYE Exclusion Order is valid from {inset date} to {inset date}, and where the total emoluments payable to {inset name} do not exceed {inset the amount which would be covered by the single person's personal tax credit; €8,250 in 2019}.

In the event of failure to fulfil any of the aforementioned conditions, the exclusion order will be withdrawn.