

# Global Mobility

The Irish Revenue Commissioners have provided guidance on a number of global mobility and employment tax issues. The Revenue guidance outlines concessions and also extensions to reporting deadlines. Records should be maintained by employers outlining the circumstances of COVID-19 restrictions and have them available to Revenue on request.

## Tax relief and exemptions

The travel restrictions have resulted in employees unexpectedly spending more time in Ireland which could lead to the conditions for reliefs from Irish payroll taxes not being satisfied. Revenue have outlined the following concessions for the duration of the COVID-19 pandemic:

### Foreign Employments

Operation of Irish PAYE: Revenue will not seek to enforce Irish payroll obligations for foreign employers in genuine cases where an employee was working abroad for a foreign entity prior to COVID-19 but relocates temporarily to the State during the COVID-19 period and performs duties for his or her foreign employer while in the State. Short Term Business Travellers to Ireland have a period of relief from Irish payroll taxes, this was 60 days in a calendar tax year for residents from countries with which Ireland has a double tax agreement and 30 days for non-tax treaty residents.

### Multi-State workers

A foreign employer may continue to operate Irish payroll on the basis of a non-resident employee's established work pattern pre-COVID-19 where:

- the non-resident employee had been carrying out duties of a foreign employment partially in the State and partially in the foreign jurisdiction prior to COVID-19
- the foreign employer had applied payroll taxes in the State and the foreign jurisdiction based on the established work pattern prior to COVID-19
- the employee cannot return to the foreign jurisdiction as a result of the travel restrictions imposed by COVID-19 and
- the employee continues to carry out their duties of employment in the State.

The employee and the company should maintain a record of the facts and circumstances of the bona fide relevant presence in the State for production to Revenue if evidence is requested that such presence resulted from COVID-19 related travel restrictions.

### Irish Employments - PAYE Exclusion Order:

For non-resident employees who are working abroad for an Irish employer for whom a PAYE exclusion order is in place, the position will not be adversely impacted where the employee works more than 30 days in the State due to COVID-19.

### Trans-Border Workers Relief:

This relief may provide relief from Irish tax on a foreign employment exercised wholly outside Ireland in a tax treaty country subject to satisfying certain conditions. Some of these conditions are that the employee does not perform more than incidental duties of the foreign employment in Ireland and returns home at least one day per week. Revenue guidance confirmed that the days spent working at home in Ireland due to COVID-19 will not prevent the employee from being entitled to claim this relief provided all other conditions of the relief are met.

### Costs of assisting employees returning to the State including payment of holiday/flight cancellations:

If the employee is integral to the business and was required to return to deal with issues related to the COVID-19 crisis by his or her employer, the costs incurred are reasonable and the employee is not otherwise compensated (i.e. via an insurance policy or direct claim to the service provider), a benefit in kind will not arise. This may include costs related to family members who were on holiday or due to go on holidays with the employee.

### Residence rules - Force Majeure circumstances:

Existing guidance states that where an individual is prevented from leaving the State on his or her intended day of departure due to extraordinary natural occurrences or an exceptional third party failure or action – none of which could reasonably have been foreseen and avoided – the individual will not be regarded as being present in the State for tax residence purposes for the day after the intended day of departure provided the individual is unavoidably present in the State on that day due only to 'force majeure' circumstances. Where a departure from the State is prevented due to COVID-19, Revenue will consider this 'force majeure' for the purpose of establishing an individual's tax residence position.

## Extensions for clearance applications and report deadlines

Revenue's guidance provides for extensions to clearance application deadlines and payroll reporting:

- **Special Assignee Relief Programme (SARP):** The 90 day employer filing obligation, which is a requirement for an employee to be eligible to benefit from SARP relief, is extended for a further 60 days. The Revenue outlined that they anticipate that such an extension should provide sufficient time for employers to file the required return, but exceptional cases may be submitted to Revenue for consideration on a case by case basis.
- **PAYE Dispensation Applications:** Given the unprecedented circumstances and the restrictions on travel as a consequence of COVID-19, Revenue will not strictly enforce the 30 day notification requirement for PAYE dispensations which is applicable to Short Term Business Travellers from countries with which Ireland has a double taxation treaty who are going to spend in excess of 60 workdays in the State in a tax year.
- **Share schemes filing obligations:** The filing deadline for all 2019 share scheme returns is being extended from 31 March 2020 to 30 June 2020.
- **Real-time foreign tax credit (FTC) for Restricted Stock Units (RSU):** In respect of 2019 cases for whom real time foreign tax credits were provided through the payroll, the 31 March 2020 filing deadline will be suspended. In such circumstances, the 2019 income tax return for such employees will revert to the standard income tax filing date (31 October 2020) for that return or any extended filing deadline for that return as appropriate. The employer notification to Revenue in relation to such cases should be made as soon as possible but no later than the extended income tax filing date where applicable.

Right people.  
Right size.  
Right solutions.

Please contact a member of our team if you would like to discuss any of the issues raised.

 01 496 1444

 [info@pkf.ie](mailto:info@pkf.ie)

 [www.pkf.ie](http://www.pkf.ie)

PKF O'Connor, Leddy & Holmes Limited is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

**IMPORTANT DISCLAIMER:** This publication has been distributed on the express terms and understanding that the authors are not responsible for the results of any actions which are undertaken on the basis of the information which is contained within this publication, nor for any error in, or omission from, this publication. The publishers and the authors expressly disclaim all and any liability and responsibility to any person, entity or corporation who acts or fails to act as a consequence of any reliance upon the whole or any part of the contents of this publication.

Accordingly no person, entity or corporation should act or rely upon any matter or information as contained or implied within this publication without first obtaining advice from an appropriately qualified professional person or firm of advisers, and ensuring that such advice specifically relates to their particular circumstances.