

## Special Assignee Relief Programme (SARP)



The Special Assignee Relief Programme (“SARP”) was first introduced in Finance Act 2012 and was designed to encourage the relocation/assignment of key talent within organisations to Ireland. Successive Finance Acts since 2012 have extended the period of this relief.

The relief applies to those arriving in Ireland in any of the years from inclusive 2012 to 2022. The relief is available for up to five consecutive tax years from the individual’s first year of claim subject to the conditions outlined below being met.

### Qualifying conditions

The Relief can be claimed by an individual who:

- Earns a minimum basic salary of €75,000 per annum (excluding all bonuses, commissions or other similar payments, benefits, or share based remuneration)
- Is tax resident in Ireland for the entire tax year that the relief is claimed
- Was not tax resident in Ireland in the five tax years immediately preceding the year of his or her arrival in Ireland
- Arrives in Ireland in any of the tax years 2012 to 2022, at the request of their employer to perform duties of their employment for that employer or an associated company of their employer
- Immediately before being assigned to work in Ireland, worked outside Ireland for a minimum period of six months for a company located in a country with which the State has a double taxation agreement with.

The employer must also certify within 90 days of arrival, that the conditions to claim the relief are met.

### How the relief works

The tax relief is 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 following formula:

$$(A-B) \times 30\%$$

A = is the amount of the relevant employee’s income,

B = €75,000 (Where an employee arrives or leaves Ireland during the tax year, B is reduced accordingly).

‘A’ is capped at €1,000,000 for employees claiming the relief for the first time in 2019. Employees claiming it for the first time in 2018 have this income cap applied from 1 January 2020.

### Employer reporting requirements

An employer must file a Form SARP 1/1A for each employee availing of SARP relief. The form must be submitted to Revenue within 90 days of the employee’s arrival in Ireland to perform the duties of his or her employment here.

In addition, the employer is required to file a SARP annual return. The annual return must be made on or before **23 February** following the end of each tax year.

### Employee reporting requirements

An employee availing of SARP Relief is a chargeable person and must file an annual **Income tax return Form 11** using Revenue’s Online Service (ROS) ensuring that the SARP claim will be processed more efficiently by Revenue.

## Example

John Byrne is employed by a US multinational under a US contract of employment for eight years up to 31 December 2018. On 1 January 2019 John is assigned to the Irish subsidiary and will devote his time to developing the Irish operations. The assignment is expected to last for two years.

In 2019 John has the following remuneration package:

Base Salary	€ 250,000
Company Car BIK	€ 12,500
Bonus	€ 60,000
Share Award	€ 20,000
School Fees	€ 4,000*
Private Travel costs	€ 3,000*
<b>Total Package</b>	<b>€ 349,500</b>

\*tax relief is available for school fees and travel costs home subject to certain limits.

Under the SARP Regime, the deduction would be:

$$(\text{€}342,500 - \text{€}75,000) \times 30\% = \text{€}80,250$$

The tax savings should be 40% of this amount, i.e. **€32,100**

John is obliged to submit an annual income tax return Form 11 in Ireland for each year he claims SARP. The personal tax return is due for submission on or before **31 October of the following year**.

## How can BDO help

The BDO employment tax team helps support both domestic and international organisations in dealing with global mobility related challenges.

### We can assist you as follows:

- Review availability of relief for relevant employees
- Preparation and filing of SARP application with revenue
- Review compensation packages/assignment policies to assess whether relief can be claimed
- Advise on claiming the relief via payroll and working with your payroll provider to achieve this
- Assistance with employee and employer year end returns.

### For further information please contact:

**Mark Hynes,**  
Director,  
at [mhynes@bdo.ie](mailto:mhynes@bdo.ie)  
or **+353 1 470 0283**



**Laura Murray,**  
Senior Manager,  
at [lmurray@bdo.ie](mailto:lmurray@bdo.ie)  
or **+353 1 470 0382**



This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO to discuss these matters in the context of your particular circumstances. BDO, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business.

BDO, a partnership established under Irish Law, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent members firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Copyright © May 2020 BDO Ireland. All rights reserved. Published in the Republic of Ireland.