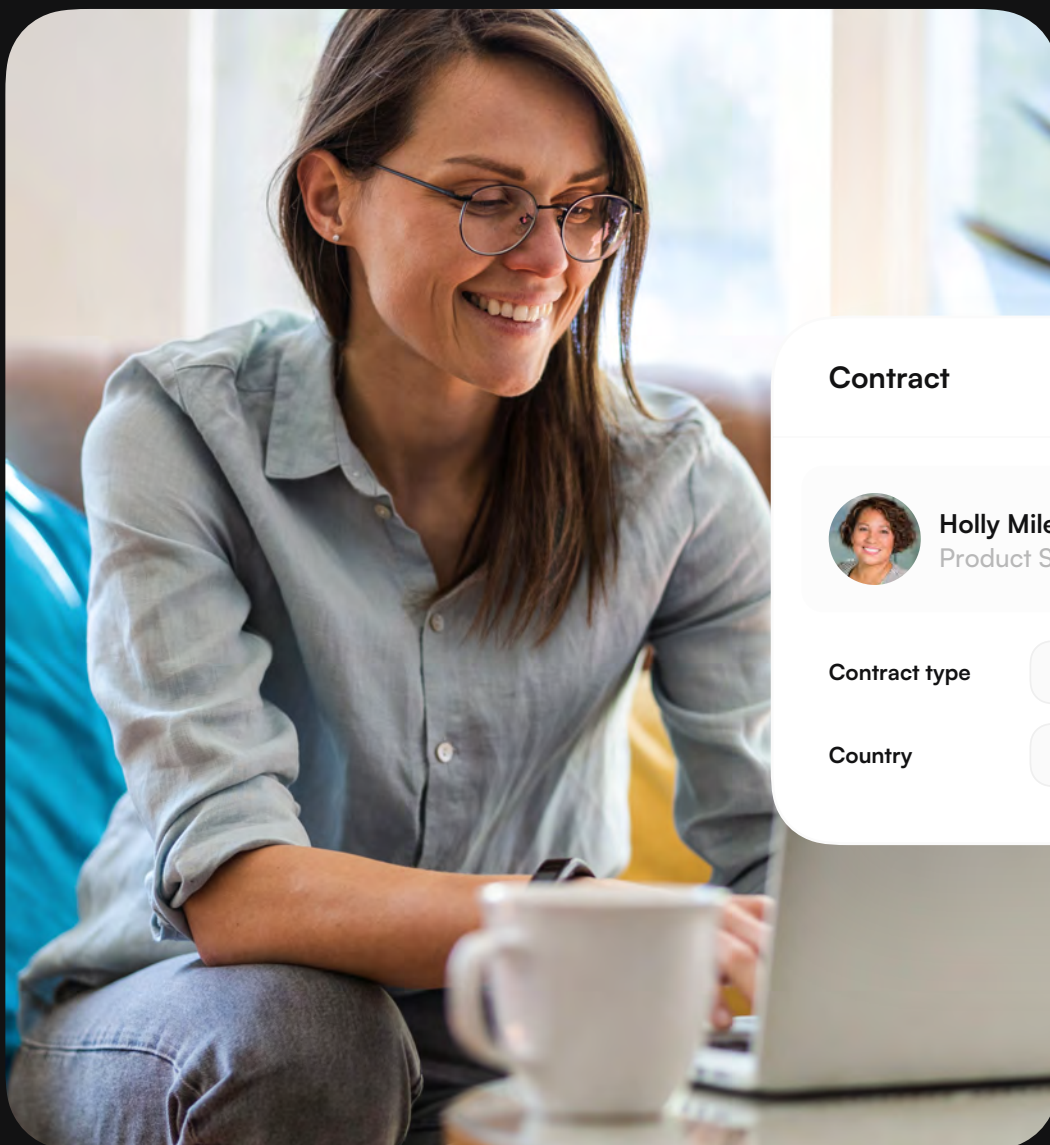


teamed.

Global hiring guide for Ireland

The essential guide to hiring
overseas employees in Ireland



Contract

Full time



Holly Miles
Product Supervisor

Contract type

Permanent

Country

Ireland



Did you know that Ireland, also known as the 'Emerald Isle,' is consistently ranked among the top destinations for international business expansion?

With its welcoming business environment, a well-educated workforce, and a strategic position in Europe, Ireland offers a wealth of opportunities for companies looking to expand globally.

Whether you're venturing into the world of tech, finance, or creative industries, this guide is your key resource for navigating Ireland's dynamic hiring landscape.



What's inside

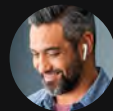
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Disclaimer: This guide provides general information and is not a substitute for legal advice. While we strive to provide you with up-to-date information, the insights contained in this checklist may not reflect the latest legal developments. We can't be held liable for actions taken based on the information provided.

Understanding the hiring landscape in Ireland

The Republic of Ireland, with its dynamic economy and strategic location, is an attractive destination for businesses hoping to expand their global presence. Offering a business-friendly environment, educated workforce, and vibrant culture, Ireland is undoubtedly one of the more appealing Eurozone countries for foreign companies.

However, as with most new ventures, hiring in Ireland doesn't come without its challenges. To help you navigate the intricacies of hiring overseas employees in Ireland and kickstart the planning process, we're here with an overview of the local regulations and practices you need to be aware of!



Communication: The official languages of Ireland

In Ireland, there are two official languages. They are Irish (Gaeilge) and English. While English is the most commonly spoken language (approx. 98%), Irish is a core subject in the school curriculum and as a result, around 39.8% of the population claim to have some ability to speak Irish.

A key component of Ireland's cultural identity, Irish has a strong presence in the country, with the language visible on road signs and across official documentation. There are also areas in Ireland, known as 'Gaeltacht areas' where Irish is exclusively spoken.



The main Gaeltacht areas in Ireland can be found in counties:

- ✓ Cork
- ✓ Kerry
- ✓ Mayo
- ✓ Donegal
- ✓ Meath
- ✓ Waterford
- ✓ Galway

Currency: The Euro (EUR)

After a transitional period of three years, the Euro (EUR) was introduced as the official currency of Ireland in 2002. As the second most widely used currency in the world (after the U.S. Dollar), the Euro offers several benefits for international companies.

Some of these benefits include:

- ✔ **European market access:** The Euro's widespread acceptance simplifies trade within the European Union.
- ✔ **Simplicity in transactions:** Conducting business in a single currency streamlines financial operations.
- ✔ **Global investment attraction:** The Eurozone's economic strength makes Euro-denominated assets appealing to investors. Make every team member, no matter where, feel valued.
- ✔ **Stable exchange rates:** The Euro's stability minimises currency-related risks for international business.



Division: The Republic of Ireland and Northern Ireland

The division between the Republic of Ireland and Northern Ireland is a complex and historically significant geopolitical reality on the island of Ireland. While they share the same landmass, these two entities are distinct in terms of governance, legal systems, and even currency. **As an overseas employer, here are some key points to note when considering the division between the Republic of Ireland and Northern Ireland:**

- ✓ **Governance distinction:** The Republic of Ireland is an independent sovereign nation with its own government and legal system. Northern Ireland is part of the United Kingdom and operates under a devolved government system.
- ✓ **Immigration and work permits:** Regulations for hiring foreign workers, including visa and work permit requirements, may vary. Employers should be aware of these distinctions when recruiting international talent.
- ✓ **Legal framework:** Laws and regulations in the Republic of Ireland are distinct from those in Northern Ireland. Employment laws, taxation, and business regulations may vary between the two regions.
- ✓ **Taxation:** Tax rates and systems can vary significantly. Understanding the tax obligations in the specific region where you operate is crucial to avoid legal issues and optimise financial planning.
- ✓ **Currency:** As discussed, the Republic of Ireland uses the Euro (€) as its official currency, while Northern Ireland uses the Pound Sterling (£). These currency considerations are important for financial transactions and payroll.
- ✓ **Employment law:** Employment laws, including minimum wage, working hours, and employee rights, can differ between the two regions. Employers must ensure compliance with the respective laws applicable to their location.
- ✓ **Healthcare and social services:** Access to healthcare and social services can also differ. Employers may need to provide different benefits or insurance coverage depending on the region.
- ✓ **Trade and customs:** If your business involves importing or exporting goods, you must navigate individual customs and trade regulations.



- ✔ **Cultural sensitivity:** As an employer in Ireland, it's important to acknowledge the historical and cultural sensitivities surrounding the division. Displaying cultural awareness and sensitivity is important in promoting positive relationships with employees and stakeholders. To navigate these cultural sensitivities, it's essential for employers to educate themselves on Ireland's history and connect with local cultural resources and experts before making assumptions about the cultural dynamics at play.

Note: For those interested in learning more about the hiring landscape in Northern Ireland, check out our UK Hiring Guide for the latest insights and tips.



Irish payroll: When do Irish employees get paid?

In Ireland, employees are paid either weekly, fortnightly or monthly. While monthly payment is the most common, this can vary depending on the industry or sector. For example, while many corporate businesses have adopted a monthly payroll system, the construction industry often follows weekly or fortnightly payment cycles due to the nature of its projects.

Which payroll cycle is best for overseas employers?

For overseas employers, a monthly payment cycle can be preferential, offering predictability and simplifying financial planning for both the company and its employees.

This is due to:



Financial stability

Monthly paydays provide employees with a predictable income, enhancing their financial stability and peace of mind.



Regulatory compliance

Timely payroll processing ensures strict compliance with tax and labour regulations, reducing the risk of legal complications.



Effective financial planning

Monthly pay cycles enable better financial planning for both employees and employers, fostering responsible budget management.



Streamlined operations

Adopting a monthly payroll system simplifies administrative processes, boosting overall operational efficiency and productivity.

Irish tax regulations: Staying compliant

As a country with a strong track record of tax compliance, ensuring your taxes are in order when hiring in Ireland is vital for avoiding penalties and potential legal consequences. But beyond legal obligations, adhering to tax regulations in Ireland is also important for enhancing your reputation as an employer and building trust amongst stakeholders.

Tip: Accurate tax filing can also promote a positive relationship with tax authorities, reducing the likelihood of excessive audits and associated disruptions.

What tax policies should I be aware of when hiring in Ireland?

At first glance, understanding tax rules in the Republic of Ireland can seem complex — especially for foreign employers. This is why we always suggest speaking to an expert with knowledge of the Irish tax system before making assumptions about your liabilities or compliance status.

To get you started, here's a glimpse at some of the Republic of Ireland's most common tax-related policies for employees and employers:

EMPLOYEES

✓ Income Tax

The first part of your income, up to a certain amount, is taxed at **20%**. This is known as the standard rate of tax, and the amount that it applies to is known as the standard rate tax band. The rest of your income is taxed at the higher rate of tax, **40%**.

EMPLOYERS

✓ Corporate Tax

In Ireland, regular trading companies must pay Corporation Tax of **12.5%** on their tax-adjusted profits.

EMPLOYEES

✓ Pay-Related Social Insurance (PRSI) & Universal Social Charge (USC)

Employees must contribute to PRSI and USC (which fund social benefits and services). The amount you pay is based on your earnings and the type of work you do.

✓ Value-Added Tax (VAT)

VAT is charged on the sale of goods or services and is usually included in the price of most products and services.

EMPLOYERS

✓ Pay-Related Social Insurance (PRSI) & Universal Social Charge (USC)

Employers must also contribute to PRSI and USC (to fund social benefits and services). The amount paid will depend on earnings and the nature of employment.

✓ Value-Added Tax (VAT)

Businesses must register for VAT if their turnover exceeds a certain threshold. Currently, **23%** is the standard rate of VAT in Ireland.

Note: An employee's tax is deducted by their employer, through the Pay As You Earn (PAYE) system in Ireland and is then remitted to Ireland's tax authority known as The Revenue Commissioners.

(Information correct as of August 2023)

Social services: Benefits in Ireland

In Ireland, there are a range of benefits covered by social security.

These benefits include:

- ✓ Public healthcare
- ✓ Parental leave
- ✓ Sick leave
- ✓ Disability benefits
- ✓ Unemployment benefits
- ✓ Education
- ✓ And more

However, in Ireland, several social benefits are subject to means testing. This means that before a person is entitled to certain payments, their financial resources will be assessed and their eligibility evaluated.



Time off: Entitlements in Ireland

Paid time off (PTO) policies in Ireland are influenced by both statutory regulations and industry standards.

For example:

- ✓ **Holidays act:** This mandates a minimum of 4 weeks annual leave each year for most employees.
- ✓ **Public holidays:** Ireland observes public holidays, offering additional time off. Currently, there are 10 public holidays a year observed in Ireland.
- ✓ **Sick leave:** Since 1 January 2023, you have a right to 3 days' sick pay a year. This is called statutory sick pay (that means the legal minimum)
- ✓ **Parental leave:** Employers are not obligated to offer payment to parents on parent's leave. However, if you have enough PRSI contributions, you will get a weekly Parent's Benefit of 262€ per week from the Irish government. Parents can avail of unpaid parental leave (up to 26 weeks for each eligible child before their 12th birthday) provided certain conditions are met.

Note: Employers should be aware that the Irish government plans to increase the duration of Parent's Leave from seven to nine weeks by August 2024, in line with new EU rules to improve the work-life balance of workers.

Non-compliance challenges

Non-compliance with paid time off (PTO) policies in the EU can lead to:

- ✓ Financial penalties imposed by labour authorities
- ✓ More regular compulsory audits
- ✓ Loss of employee and partner trust
- ✓ Employee claims/ Legal action
- ✓ Back payments
- ✓ Reputation damage

To avoid these issues, it's best to partner with an EOR platform like Teamed. Our local and legal experts can assist you with the intricacies of both local and EU compliance. We do the global hiring research, so you don't have to!

Empower your global workforce with Teamed

Manage the hiring & retention of global teams with ease

Offering you global employment software with a human touch and local expertise, Teamed is your new partner in global workforce management.

Teamed simplifies the process of hiring and managing a global team, from helping you adhere to local regulations to facilitating seamless payroll processes. Whether you're an established company or a budding startup, Teamed's advanced (but user-friendly!) platform offers reliable advantages such as:

- ✓ **Global payroll expertise:** Seamlessly process payroll in 50+ currencies, ensuring accurate and compliant payments worldwide.
- ✓ **Effortless onboarding:** Onboard employees within hours, not weeks, with our same-day onboarding process.
- ✓ **Local tax & compliance:** Rely on Teamed's legal experts to navigate the intricate web of global regulations, mitigating risks and ensuring full compliance.
- ✓ **Tailored employee experiences:** From benefits to onboarding, create a localised approach for your global employees — enhancing satisfaction and engagement.
- ✓ **24/5 support:** Get expert assistance whenever you need it, addressing the complexities of global hiring with a dedicated (and human!) support team.
- ✓ **Dedicated local experts:** Benefit from 1-1 employee onboarding, guided by local experts who understand the nuances of each region.
- ✓ **Transparent pricing:** Access critical features without the hefty costs, with plans starting from £199 per month.

With Teamed as your partner, you can start hiring in Ireland quickly and easily!

Start using the Teamed platform in just three easy steps:



Step 1

Kick off call &
platform access.



Step 2

1-1 employee
onboarding call with one
of our local experts.




Step 3

Contract sent to the
employee to be signed
and complete. Sorted!

Learn more

To learn more about Teamed's global employment software and kickstart your global hiring journey with our in-house expertise, speak with one of our experts today!

Alternatively, try out our employment cost calculator to compare employment costs in different countries and discover how hiring overseas can benefit you.



Speak to an expert

Calculate