



GES NewsFlash

Ireland - Share Remuneration – Jobs Initiative

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Social Insurance (PRSI) on Share Remuneration – Abolition of Employer PRSI on Share Remuneration

May 12, 2011

Social Insurance (PRSI) on Share Remuneration – Abolition of Employer PRSI on Share Remuneration

Deloitte's View

People to contact

As previously announced, the Minister for Finance clarified, on March 18 2011, that the charge to PRSI (both employer and employee) introduced in Budget 2011 will not apply where the share-based remuneration was the subject of a written agreement entered into between the employer and the employee before January 1, 2011.

The Minister for Finance in the new government has further announced on May 10, 2011 as part of the Jobs Initiative, that this employer PRSI charges is to be abolished on share remuneration with effect from January 1, 2011.

For clarity, following all announcements to date:

- No PRSI (employer or employee) will apply to share remuneration subject to a written agreement entered into before January 1, 2011.
- Employee PRSI (only) will apply to share remuneration which is subject to a written agreement entered into from January 1, 2011.

Deloitte's View

Despite what seems to be constant changes to the treatment of share remuneration, this is very positive news for employers. This will allow employers to continue to use shares as part of their compensation strategies whilst managing the employer cost. It is anticipated that the Revenue and Social Security authorities will issue practical guidelines in due course.

Our GES team in Deloitte Dublin will be happy to assist you with regard to any queries you may have in this regard.

People to contact

If you have any questions concerning the issues in this GES NewsFlash, please contact one of the tax professionals as follows:

Ian McCall

Tel: +00 353 1417 2442

Brian McDonald

Tel: +00 353 1417 2420

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