

HLB IRELAND





Introduction



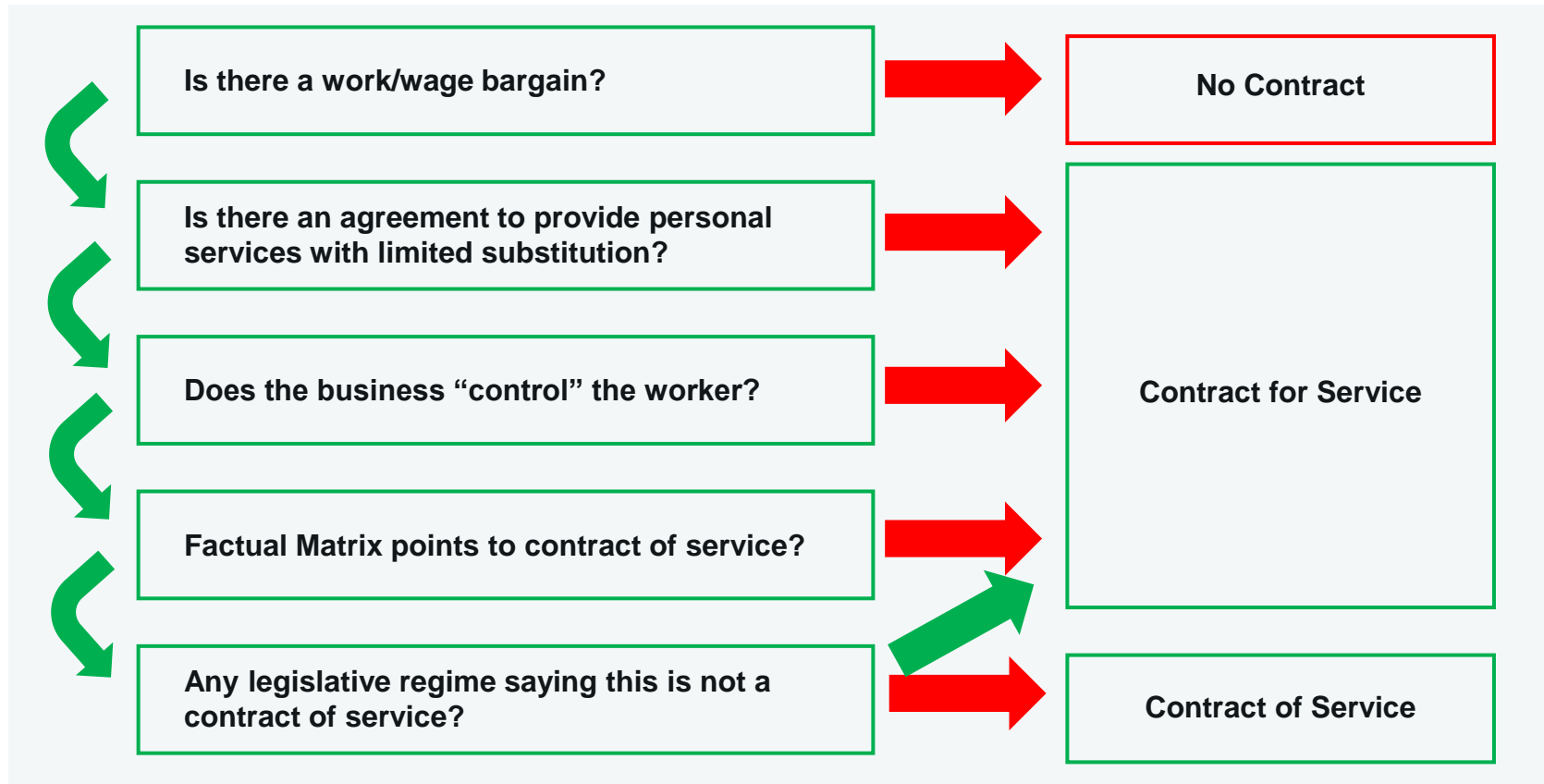
Employment Obligations and Reporting



Determining Employment Status

1. Determining Employment Status

- Employers must use a decision-making framework, which includes assessing if there is a contract of service, personal service, control over the work, and the overall circumstances of employment.



1. Determining Employment Status

- The guidance does not address theatre, or performing arts, but does include a section on Media:

Media Personal service is the essence of the majority of engagements between a media outlet and its workers such as actors, presenters or journalists. As the business also generally controls when work is undertaken and where, they would also generally meet the control test. Due to the skilled nature of the roles, it's unlikely the workers will be told 'how' to undertake the work, but the level of residual control retained by the business will result in the control test being met. This is equally applicable to other workers in the sector such as camera persons, sound engineers and producers.

Where a worker produces content of his or her own volition and offers that content for sale to various media outlets, his or her status will, subject to the framework, generally be that of an independent provider subject to self-assessment as a self-employed worker. Commissioned work, i.e., where a media outlet engages a person to produce content, will, subject to the framework, generally result in the person being an employee of the media outlet in respect of the work.

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- 1. Who bears the primary responsibility for correctly determining whether an individual is classified as an employee (under a "contract of service") or as a self-employed contractor (under a "contract for service")?**
- 2. What are the consequences for an employer if a worker is misclassified as self-employed when they should actually be classified as an employee, particularly regarding the application of PAYE, PRSI, and USC?**
- 3. What must employers do to comply with the updated Code of Practice and the decision-making framework established by the Supreme Court judgment when determining an individual's employment status?**

4. **Freelancers in the arts that are typically considered self-employed and operate under a contract for service are responsible for managing their own taxes, including filing self-assessment returns and paying preliminary tax. Is this still the case? What would these examples typically be?**

5. **How could/does this impact on deductions for business expenses?**

6. **What about actors not on payroll – is this still possible?**

7. **What about production managers, designers, crew not on payroll?**

8. **What about speaker/performers brought in for a conference or event?
As in a a single engagement?**

9. **Many artist development programmes now offer an honorarium/stipend
to cover an artist's time – should these be on payroll?**

10. **What do freelancers need to do to understand their tax obligations and
the factors that could impact their employment status?**

1. Determining Employment Status

Other points to note:

- *“there does not need to be a continuity of service, in effect, a worker engaged to carry out one job, gig or shift, will generally be an employee for tax purposes for that one job, gig or shift”*
- If you are invoicing through a company, then you would not be treated as an employee of the contracting party.
- EU Commission is working on proposals on employment status in relation to the gig economy. Any changes at Eu level to be incorporated, but from the Supreme Court decision, gig workers are included.
- PRSI Contributions need to be considered as under Class S you have a full year, but under Class A it's a weekly record.



Enhanced Reporting Requirements

2. Enhanced Reporting Requirements

- The Enhanced Reporting Requirements (ERR), effective from 1 January 2024, mandate that employers report specific expenses and benefits provided to employees.
- The ERR includes reporting on:

Small Benefit Exemptions

Travel and Subsistence

Remote Working Daily Allowance



1. **When do these enhanced reporting requirements take effect?**
2. **What additional data must be collected and reported under the new requirements?**
3. **How will enhanced revenue reporting impact payroll processes?
How do I report?**

4. **Are there penalties for non-compliance with enhanced revenue reporting?
What happens if I don't report?**

5. **Are travel and subsistence expenses reimbursed to staff on payroll
reportable under ERR?**

6. **Are travel and subsistence expenses reimbursed to freelancers on fee
reportable under ERR?**

7. **Are travel and subsistence expenses reimbursed to board members reportable under ERR?**

8. **What are the small benefits falling under the Small Benefit Exemption?**

9. **Do I have to report remote working daily allowance of €3.20?**

2. Enhanced Reporting Requirements

Other points to note:

- Expenses incurred on a company credit card are not included.
- Mechanism to deal with advance payments.
- Demonstration available on the Revenue website.



Auto-Enrolment

3. Auto-Enrolment


- Auto-enrolment is a new pension savings system launching in 2025. Eligible employees will be automatically enrolled, with contributions from employees, employers, and the government.
- Who is included?



Earn over
€20,000 per year



Are aged between
23 and 60



Are not already in a
pension scheme



3. Auto-Enrolment

Year of the auto-enrolment scheme	Employee Contribution Rate	Employer pays	Government pays
1 to 3	1.5%	1.5%	0.5%
4 to 6	3%	3%	1%
7 to 9	4.5%	4.5%	1.5%
10 and after	6%	6%	2%



- 1. What is auto-enrolment and how does it work?**
- 2. Who will be affected by auto-enrolment?**
- 3. What are the employer's obligations under the auto-enrolment scheme?**

4. **What are the contribution rates for employers and employees?**

5. **How do employers communicate auto-enrolment changes to their staff?**

6. **What happens if an employee opts out of the auto-enrolment scheme?**

- 7. How will auto-enrolment impact payroll processes?**
- 8. Are there any penalties for non-compliance with auto-enrolment?**
- 9. Can employers choose their own pension provider for auto-enrolment?**
- 10. How will auto-enrolment affect existing pension schemes?**

3. Auto-Enrolment

Other points to note:

- Starts from 30th September 2025.
- Applies from day one if it is clear that you qualify. Otherwise, it can take up to 13 weeks.
- If you have more than one employment, then it can apply to each of those employments.
- Option to suspend instead of opt out - automatic re-enrolment after two years.
- Savings pot moves from job to job.
- It is in addition to state pension.
- Contributions are your personal property, not accessible by anyone else.



Questions?



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