



EMPLOYMENT IN IRELAND



The Irish Labour Code governs the relationship between employees and employers of all types. Below is some key information about hiring in Ireland, intended to provide a brief overview of employment law in Ireland. It is not intended as a substitute for professional legal advice and counsel.



WORKING TIME AND OVERTIME

The average working week in Ireland is 39 hours. The maximum number of hours an adult can work is 48 hours per week. There are some exceptions such as the Gardaí, defence forces, employees who control their own working hours and family employees on farms. There are special conditions for employees who work on Sundays. An employer must either provide a reasonable allowance, reasonable pay increase or reasonable paid time off work. With regards to overtime, there is no legal right to pay for working extra hours and there are no statutory levels of overtime pay. However, many employers pay employees higher rates of pay for overtime.

ANNUAL LEAVE

Full time employees are entitled to a statutory maximum of 4 working weeks usually 20 days for full time staff. In addition, there are 10 public holidays from 1st January 2023 that employees are entitled to. If an employee works on a public holiday, they are entitled to a day's pay or additional days leave in lieu. Annual leave and public holidays are calculated on a pro rata for part-time employees. Annual leave should be used in the agreed 12-month annual leave period. However, many employers allow days to be carried over that must then be used within 6 months of the following year.

TRIAL PERIOD

Standard trial period known as probation period should not exceed 6 months. The probation period may only be extended on an exceptional basis, where it is in the best interests of the employee. If an employee commenced employment prior to 16th December 2022 and is subject to a probation of longer than six months, if the employee has completed at least six months of the probationary period, then it will expire by 1st February 2023, or on the date it was due to expire if earlier.

RESIGNATION AND DISMISSAL

An employee may unilaterally terminate their employment by providing written notice to their employer. During a probation period this is usually one week for both the employee and employer. This will be stated in the contract of employment. There is no statutory notice period for employees who have worked less than 13 weeks for an employer. After 13 weeks the notice period an employee is required to provide will be stated in a contract of employment. If a contract of employment does not state a required notice period, then this will be the statutory minimum of one week. The most common notice period an employee is required to provide is one months' written notice, this will need to be included in the contract of employment. More senior level employees may have a longer notice period written into their contract such as 2 or 3 months.

Once an employee has worked for an employer for over 12 months continually, they may only have their employment terminated on the grounds of one of the following. Personal e.g lateness, absenteeism. Competence, qualifications, conduct, redundancy, or other substantial grounds. To mitigate any risk to the employer it is imperative that there is a burden of proof or evidence and required investigation meeting and/or disciplinary hearings have taken place.

If an employer wishes to terminate an employee, the following notice periods will need to be followed in line with their length of service. Many employers choose to provide employees with one months' notice after their probation period ends.

RESIGNATION AND DISMISSAL CONTINUED

Length of Service	Minimum Notice
13 weeks - 2 years	1 week
2 years - 5 years	2 weeks
5 years - 10 years	4 weeks
10 years - 15 years	6 weeks
15+ years	8 weeks

An exception to notice periods would be certain cases of misconduct and gross misconduct.

It is important that a fair process takes place for any dismissal cases. After an employee has been with an employer for a period of 12 months continuous service, they have the right to refer to the Unfair Dismissals Act 1977 which prevents employees from being dismissed without fair cause and process. This would then be referred to the Workplace Relations Commission and, if necessary, the Labour Court to make a claim against the employer.

CONTRACT OF EMPLOYMENT

Anyone who works for an employer automatically has a contract of employment. The contract as a whole does not have to be in writing, but the employee must be provided with a written statement of terms of employment. A written statement containing 5 core terms must be provided within 5 days of employment. These are the full names of employer and employee, employer address, expected duration of contract (where the contract is temporary or fixed term), the rate or method of calculating pay and what the employer reasonably expects the normal length of the working day and week to be, in a normal working day and in a normal working week.

Previously, a written statement of the remaining terms of employment (contract) could be received within 2 months of starting work. As of 2023, this information now needs to be included within the written statement provided within 5 days of employment. This will need to include place of work, job title, date employment started, pay intervals, T&C's relating to hours of work, paid leave, sick pay, pension, probation period, notice periods and details of collective agreements.

MATERNITY AND PATERNITY LEAVE

Expectant mothers in Ireland are entitled to 26 weeks maternity leave, there is also the right to take an additional 16 weeks of unpaid leave. The employee must take at least 2 weeks before the expected due date and at least 4 weeks after the baby is born. Most employees are entitled to Maternity Benefit from the Department of Social Protection (DSP) if Pay Related Social Insurance (PRSI) contributions are enough.

Expectant fathers in Ireland are entitled to take 2 weeks paternity leave. This must be taken in one block within 26 weeks of the birth of the child. While on paternity leave an employee will usually be entitled to paternity pay from the Department of Social Protection, depending on meeting certain PRSI eligibility criteria.

Parents also have the entitlement to parents leave in Ireland. This has recently been extended from 5 weeks to 7 weeks for children born or adopted after 1st July 2022. This leave must be used before the child turns 2 years old. An employee may qualify for payment of €250 per week depending on their PRSI contributions.

MATERNITY AND PATERNITY LEAVE CONTINUED

In addition to maternity, paternity, and parents leave. Employees also have the option of parental leave. This type of leave is unpaid, an employee is entitled to 26 weeks before a child's 12th birthday. Generally, an employee must have been working for their employer for at least one year before being entitled to this type of leave.

SICKNESS LEAVE

From 2023, employees in Ireland will be entitled to up to 3 days of sick pay per year. This is due to increase to 5 days in 2024, 7 days in 2025, and 10 days in 2026. To be entitled to this, employees must have worked for their employer for a minimum of 13 weeks and provide their employer with a medical certificate from their GP stating they are unable to work. An employee will be entitled to up to 70% of their normal salary up to a maximum of €110 per day.

SOCIAL SECURITY

The Irish social security system is known as Pay Related Social Insurance (PRSI). Contributions depend on what class the employee falls into, the most common being Class A. Deductions are 4% for employees and 11.05% for employers. Contributions will make an employee eligible for benefits such as Job Seekers, Maternity, Paternity, Illness Benefit.

HEALTHCARE AND INSURANCE

Ireland has a comprehensive, government funded public healthcare system. A person living in Ireland for at least one year is considered by the HSE to be 'ordinarily resident' and is entitled to either full eligibility (Category 1) or limited eligibility (Category 2) for health services. Many Irish employees also choose a Private Health Insurance, which offers a more rapid access to treatments and a wider choice in doctors and hospitals.



EMPLOYMENT OF FOREIGN NATIONALS



Most non-EEA nationals must have an employment permit to work in Ireland. Generally, the two most common types of employment permits are detailed below.

1. CRITICAL SKILLS EMPLOYMENT PERMIT

An application can be made if a person is offered a job in a profession that is either paid at a rate of at least €32,000 per year and on the critical skills occupation list, or paid at a rate of €64,000 per year and isn't on the list of ineligible occupations. The critical skills employment permit is for skilled workers who are qualified in professions where there is a shortage of skills in Ireland. Applicants must have a relevant third level qualification

But for some job types maybe eligible with a lesser qualification or if they have the required experience. Employers must offer a minimum 2 year employment contract.

2. GENERAL EMPLOYMENT PERMIT

A general employment permit is open to applicants that are offered a job that is paid at a rate of €30,000+ per year, not in a profession on the list of ineligible occupations and for a business where more than half of employees are from outside the EEA. This is called the 50:50 rule.

The company or business must be already trading in Ireland and registered with the Companies Register Office and Revenue. The employer must have tried to fill the post with an Irish or EEA citizen. They must show that they have advertised the job with EURES and the Department of Social Protection (DSP) for at least 4 weeks. They must also advertise the job in a national newspaper for at least 3 days, and a local paper, or an online recruitment agency (that is not a DSP or EURES website) for 3 days.



SALARY AND SALARY TAXES

MINIMUM WAGE

The minimum wage for aged 20 and over in Ireland is currently €10.50 per hour. Every January this is increase by the Irish Government.

The minimum wage for employees aged 19 - 20 is €9.45 per hour and aged 18 - 19 is €8.40 per hour.

INCOME TAX

The Irish tax year runs from January to December. Employees pay tax through a Pay As You Earn (PAYE) system which is deducted from wages by employers before the NET payment is made to employees. Below is a table of tax thresholds for employees for 2022.



Tax Thresholds	20%	40%
Single person	€36,800	Balance
Married couple/civil partners. One income	€45,800	Balance
Married couple/civil partners. Two incomes	€45,800 plus €27,800 max	Balance
One parent family	€40,800	Balance



SALARY PAYMENTS

Salaries are typically paid on either a monthly or fortnightly period. Employers should pay employees by the last day of the month.

SOCIAL SECURITY CONTRIBUTIONS

The social security contribution most employees in Ireland make is called Pay Related Social Insurance (PRSI) and is, like the name states, dependent on the income, but also on the type of work an employee is performing. Most employees are insured under Class A category. Employers will pay a 11.05% contribution for employees on a Class A category with earnings over €410 per week and 8.8% for earnings below €410 per week.

SOCIAL CONTRIBUTION RATES

For Class A if an employee earns €352 or less per week before tax is deducted, they will not pay any social insurance. This does not mean that they are not getting a contribution. They are still covered by Class A social insurance. The employer is paying on their behalf.

For earnings over €352 per week a 4% PRSI deduction is made on all earnings.

A PRSI credit was introduced in 2016 which reduces the amount of PRSI payable for employees earning between €352.01 and €424 per week. The credit is tapered, and the amount of the credit depends on earnings. The maximum credit is €12. For example, if an employee earns €352.01 per week, they will get the maximum PRSI credit of €12. On these earnings of €352.01, the PRSI charge (calculated at 4% of earnings) would be €14.08. After the €12 credit is deducted, the employee will pay €2.08 of PRSI.

If an employee earns between €352.01 and €424 per week, the maximum credit of €12 is reduced by one-sixth of the amount of weekly earnings over €352.01.

Employees can work out how much PRSI they will pay in four steps. First, calculate one-sixth of earnings over €352.01. Subtract this from the maximum credit of €12 to get the PRSI credit. Then calculate the basic PRSI charge at 4% of your earnings. Finally, deduct the PRSI credit from the PRSI charge. The result is the amount of PRSI payable.

For example, for gross weekly earnings of €377:

Calculate one-sixth of earnings over €352.01. $€377 - €352.01 = €24.99$. Divided by 6 = €4.17.

Subtract this from the maximum credit of €12, giving a credit of €7.83.

The basic PRSI charge is 4% of €377 = €15.08.

The employee will pay €7.25 PRSI weekly (€15.08 minus €7.83 PRSI credit).



EMERALD TECHNOLOGY

www.emerald-technology.com
info@emerald-technology.com
+44 (0) 870 889 0300

Europe

Somerset House
37 Temple Street
Birmingham
B2 5DP
United Kingdom

Asia Pacific

22 Malacca Street
#03-02
RB Capital Building
Singapore
048980

Middle East

Business Central
Towers
PO BOX 503055 2001A
Dubai Internet City
UAE