

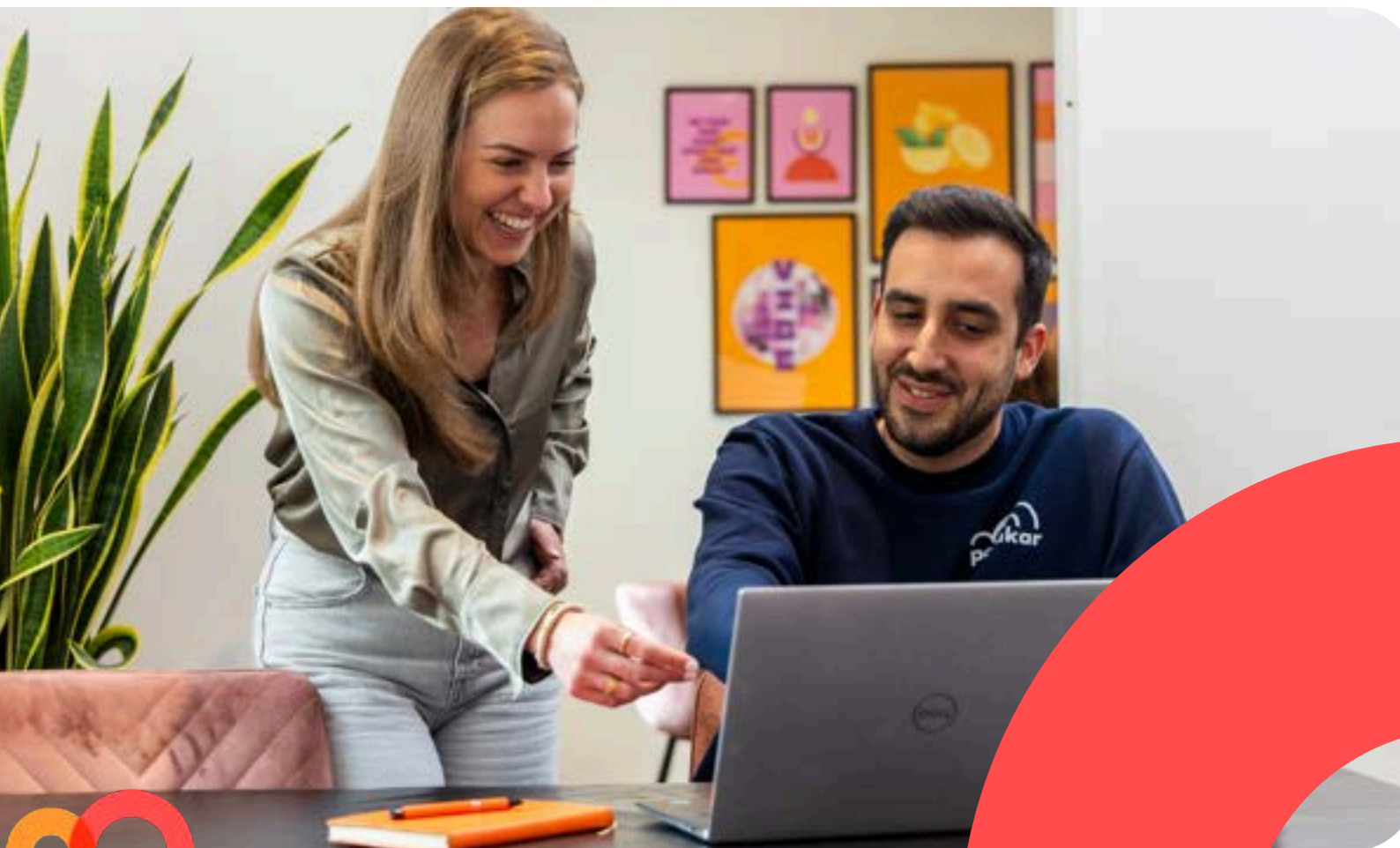
# LET'S GET STARTED GUIDE

Ireland



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# INTRODUCTION

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## BACKGROUND OF THIS DOCUMENT

Managing HR services in Ireland requires a solid understanding of local employment laws and employee rights. This guide helps you navigate the key HR processes and highlights the most important topics to consider when hiring in Ireland.

Think of it as a **practical checklist** to ensure you meet all essential legal and HR requirements, while laying the groundwork for a fair, attractive, and well-structured workplace.

At Parakar, we're here to support you every step of the way. If you have questions or need tailored advice, don't hesitate to reach out to our HR experts, Kayleigh and Kim. With help of our HR operations specialist in Ireland, they'll help you navigate Irish employment regulations and set up a smooth, compliant operation tailored to your business needs.



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## 1. EMPLOYMENT LAW & CONTRACTS

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In Ireland, employers must issue written terms of employment within 5 days of the employee's start date, as required by the Employment (Miscellaneous Provisions) Act 2018.

### WRITTEN CONTRACTS TYPICALLY INCLUDE:

- Job title and duties
- Place of work
- Salary and payment frequency
- Working hours (including breaks and overtime rules)
- Probation period (commonly up to 6 months)
- Notice period (statutory minimums depend on length of service)

### BROADER IRISH EMPLOYMENT LEGISLATION

- **The Terms of Employment (Information) Acts** requires Irish employers to provide employees with key written terms of their employment—such as job title, pay, and working hours—within 5 days, and a full contract within 1 month of starting work.
- **The Protection of Employees Acts**, which ensure that fixed-term and part-time workers are not treated less favourably than permanent/full-time staff

Note: After 4 years on successive fixed-term contracts, an employee may be deemed permanent by law, unless the employer can provide an objective justification for renewing a fixed-term arrangement.

*To ensure compliance and avoid potential disputes, it's strongly recommended to have all contracts reviewed by a local HR or legal expert.*



## LEAVE IN IRELAND

It is important to understand the various types of employee leave entitlements in Ireland before hiring. Key examples include:

- **Sick leave:** Employees are entitled to 7 days of paid statutory sick leave per year (as of 2025), increasing annually up to 10 days by 2026. This is paid at 70% of normal wages, capped daily.
- **Annual leave:** Full-time employees are entitled to 4 working weeks of paid annual leave per leave year. Part-time workers receive a pro-rated entitlement.
- **Maternity leave:** Employees are entitled to 26 weeks of maternity leave, with Maternity Benefit paid by the state if eligibility criteria are met. An additional 16 weeks of unpaid leave is available.
- **Paternity leave:** Partners can take 2 weeks of paternity leave within 26 weeks of the child's birth or adoption, with state-paid Paternity Benefit.
- **Parental leave:** 9 weeks mandatory cover by social security for each parent. It should be taken before the second birthday of the child.

*Other leave types such as parent's leave, adoptive leave, carer's leave, and force majeure leave may apply depending on the context. Company policies may offer enhanced terms. For tailored guidance, consult Parakar's HR specialists.*

## 2. SOCIAL SECURITY & INSURANCES

Before employing staff in Ireland, you must register with Revenue and the Department of Social Protection (DSP) to ensure correct tax and social insurance procedures. Including optional insurances can help attract and retain talent, while mandatory insurances ensure your business remains legally compliant

### MANDATORY INSURANCES

- **PRSI (Pay Related Social Insurance):** Employers in Ireland must make PRSI contributions, which fund state supports like pensions, maternity leave, illness, unemployment, and treatment benefits. Although called "insurance," PRSI is a statutory social security contribution, not a commercial insurance product.
- **Employer's Liability Insurance:** Legally required to cover workplace-related injury or illness claims made by employees.

### OPTIONAL/RECOMMENDED INSURANCES

- **Public Liability Insurance:** Strongly advised to protect against claims from third parties (e.g. customers or visitors) for injury or property damage.
- **Motor Insurance:** Required if your business uses company-owned vehicles.
- **Private Health Insurance:** Common in competitive employment packages to support employee wellbeing.

*Insurance requirements may vary by sector and company size, so always assess your needs carefully. For tailored advice on what your company needs, consult Parakar's HR specialists.*



### 3. REGISTRATION AND PAYROLL ADMINISTRATION

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To legally employ staff in Ireland, employers must complete several key steps to set up and manage payroll correctly:

#### Step 1: Register as an Employer with Revenue

You must register your business as an employer with the Irish Tax Authority (Revenue) before paying your first employee. This registration allows you to operate payroll and fulfill tax and social insurance obligations.

#### Step 2: Obtain PPS Numbers for Employees

All employees must have a Personal Public Service (PPS) number, which is used for tax and social welfare purposes. This is a personal procedure done by the employee. Ensure employees collect this information and share this with the employer before payroll processing.

#### Step 3: Use Payroll Submission Requests (PSR)

Each pay period, you must report employee payments and deductions to Revenue via Payroll Submission Requests (PSR), ensuring compliance with PAYE, PRSI, and USC obligations.

#### Step 4: Provide Pay slips and Maintain Records

Employers are required to provide detailed pay slips to employees showing gross pay, tax, PRSI, and other deductions. Payroll records must be retained for at least six years for audit and compliance purposes.

*Partner with Parakar to ensure compliant and accurate payroll processing, fully managed in-house by our local experts.*

### 4. TERMINATION

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To dismiss an employee after 52 weeks of continuous employment, an employer must have substantial grounds, as defined by the [Unfair Dismissal Act 1977](#).

Key notes:

- Employees gain full unfair dismissal protections after 12 months of continuous service. However, fair procedures should still be followed when dismissing during or shortly after probation.
- Employees with 2 or more years of service dismissed for economic reasons are entitled to statutory redundancy pay, calculated as 2 weeks' pay per year of service plus 1 additional week.

- Upon termination, employers must issue a final payslip and report the employee's end date to Revenue through the payroll system.
- Dismissed employees can challenge unfair dismissals by submitting a claim to the Workplace Relations Commission (WRC).

## 5. COLLECTIVE LABOUR AGREEMENTS

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There is no legal obligation for employers to recognise trade unions unless this is agreed in the contract or workplace arrangements. However, Sectoral Employment Orders (SEOs) can apply in certain industries, setting minimum pay and employment conditions across the sector. Collective Labour Agreements are not common in Ireland.

## 6. PENSION

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Currently, there is no mandatory occupational pension scheme in Ireland. Employers are required to provide access to a Personal Retirement Savings Account (PRSA) for employees who wish to save for retirement.

An **Auto-Enrolment Scheme** for workplace pensions is expected to be introduced in January 2026, which will make employer pension contributions mandatory for eligible workers.

## 7. EMPLOYEE HANDBOOK & WORKPLACE POLICIES

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While not legally required, having an employee handbook is strongly recommended, especially for companies with 10+ employees, to help manage compliance and reduce risk.

Key policies to include are:

- Grievance and disciplinary procedures
- Diversity and inclusion
- Remote/hybrid work
- Whistleblowing

Ireland has robust whistleblower protections: employers must handle disclosures seriously and are prohibited from retaliating against whistleblowers.

## 8. VACATION & HOLIDAY PAY

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Employees are legally entitled to:

- A minimum of **20 days of paid annual leave**
- **10 public holidays** (e.g., St. Patrick's Day, Christmas).
- If a public holiday falls on a weekend, it is typically observed on the following Monday.
- Leave can be carried over if agreed between the employee and employer, but the employee is generally expected to take all entitled leave.
- It is common to offer additional leave as an employer

*Be sure to track accruals and expiration of vacation days accurately to be compliant.*





## 9. OCCUPATIONAL HEALTH & ABSENCE MANAGEMENT

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Employers must ensure employee safety under the [Safety, Health and Welfare at Work Act 2005](#).

- Statutory sick pay is currently 7 paid days, increasing to 10 by 2026, and covers all employees including part-time and fixed-term.
- A medical certificate is required, and employees must have worked at least 13 weeks to qualify.
- After sick pay ends, employees may receive Illness Benefit from the government if they have paid enough PRSI contributions.

## 10. RISK INVENTORY & EVALUATION

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All employers must conduct a Risk Inventory & Evaluation (RIE) to identify and assess potential health and safety risks in the workplace. This includes:

- Creating a [Safety Statement](#) – a formal document outlining the company's approach to managing workplace safety.
- Carrying out [risk assessments](#) to identify hazards and determine control measures.

## 11. DATA PROTECTION & GDPR

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Employers must comply with [General Data Protection Regulation \(GDPR\)](#) standards, as enforced by the [Data Protection Commission \(DPC\)](#) in Ireland.

Employers should have clear policies regarding:

- How employee data is collected, stored, and used.
- Employee monitoring practices (e.g., attendance tracking, CCTV) must be fair, transparent, and justified.
- Ensuring data security and employee privacy rights.

Special considerations apply when processing employee data, especially sensitive health information related to sickness and absence.

## 12. WORKING WITH CONTRACTORS & IR35-LIKE CONCERNS

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Employers increasingly rely on contractors, but it's important to correctly determine whether a worker is genuinely self-employed or should be classified as an employee.

Misclassification can lead to legal and tax problems.

- **The Revenue Commissioners (Irish Tax Authority)** may investigate contractor status to ensure proper tax and social insurance compliance.
- Clear, written agreements should define the worker's status and relationship with the employer.
- Misclassification risks are rising, **similar to the IR35 rules** in the UK, which target disguised employment.

### 13. WORKS COUNCIL / EMPLOYEE REPRESENTATION

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- There is no mandatory works council or employee representative system.
- Trade unions have rights but are only recognized by employers if agreed contractually.
- Employee representation typically arises from voluntary arrangements or collective bargaining, not statutory requirements.

### 14. WRC (WORKPLACE RELATIONS COMMISSION)

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The **Workplace Relations Commission (WRC)** is the main body responsible for resolving workplace disputes and enforcing employment rights in Ireland. It provides a straightforward process for employees to raise complaints about their working conditions or employer practices.

- Employees can lodge complaints easily with the WRC.
- The WRC has the authority to impose fines or order employers to provide reinstatement or compensation when breaches are found.



### 15. WORK PERMITS & IMMIGRATION

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Non-EEA nationals generally require employment permits to work in Ireland, with different permits depending on the job type and skill level.

- The most common permits are the Critical Skills Employment Permit (CSEP) and the General Employment Permit (GEP).
- A Labour Market Needs Test may be necessary to demonstrate that no suitable EEA candidates are available for the role.

## 16. EXPAT TAX RELIEF (SARP)

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Ireland offers tax incentives to attract skilled international workers through the Special Assignee Relief Programme (SARP), which reduces the income tax burden for eligible inbound expatriates.

- SARP allows for partial income tax exemption on qualifying earnings.
- Eligibility requires meeting criteria such as a minimum salary and not having been an Irish tax resident for the previous five years.

## 17. COMPETITIVE EMPLOYMENT PACKAGE

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To attract and retain talent, Irish employers often offer comprehensive benefits packages, reflecting growing trends around employee wellbeing and work-life balance.

- Benefits may include health insurance, bonus schemes, flexible working hours, and mental health supports.
- Employee share schemes, such as Employee Stock Ownership Plans (ESOPs) or Restricted Stock Units (RSUs), may be included in compensation packages depending on the terms of the employment contract; however, they are not commonly offered in all agreements.
- The Irish employment market increasingly emphasizes wellbeing and flexibility as key factors for job satisfaction.

## 18. CONFIDENTIAL ADVISOR / WHISTLEBLOWING

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While not legally mandated, it is considered best practice for organizations to have policies and designated contacts to address workplace harassment and dignity-at-work concerns.

- Having a dignity-at-work policy and a confidential advisor or contact person helps employees report harassment or bullying safely.
- This fosters a respectful and supportive workplace environment.

## 19. ONBOARDING & OFFBOARDING

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A smooth onboarding and offboarding process ensures legal compliance and a positive employee experience.

- **Before onboarding:** issue a written employment contract and complete Right to Work checks.



- **Onboarding:** provide access to company policies, necessary training, and onboarding materials.
- **Offboarding:** issue a P45, provide the final payslip, confirm pension contributions, and pay any unused holiday entitlement. Document the return of company property.

## 20. DIVERSITY, INCLUSION & EQUITY

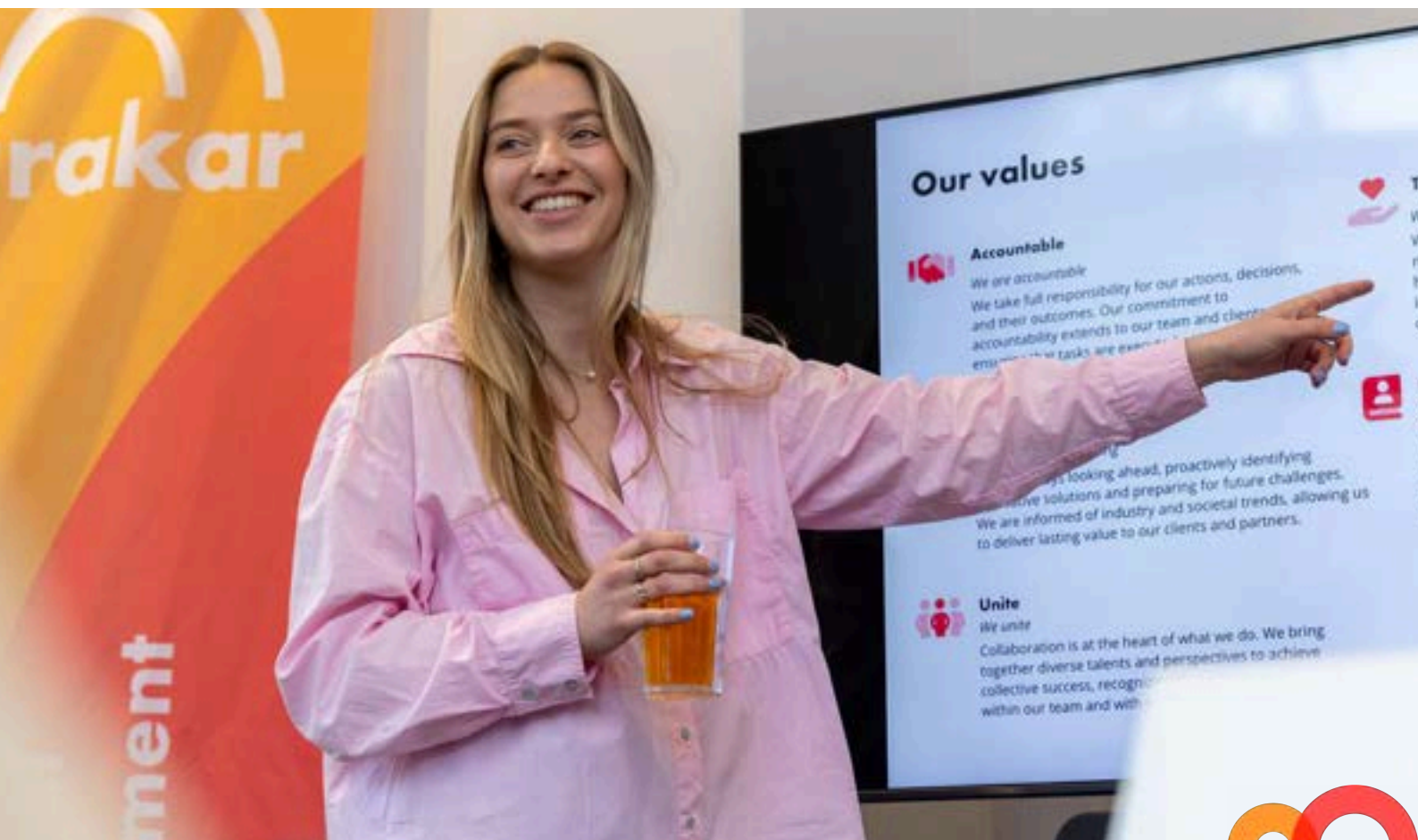
Ensuring fairness and transparency in recruitment and pay is key to complying with equality laws and building a diverse workforce. Ireland is strengthening its focus on these areas through current and upcoming legislation.

Highlights:

- **The Equal Status Acts** prohibit discrimination in hiring and employment.
- Employers must ensure recruitment practices are fair, transparent, and free from discrimination.
- Gender Pay Gap Reporting currently applies to companies with 150+ employees, dropping to 50+ employees in June 2025.
- Employers must publish annual reports detailing pay gaps between men and women.

Ireland is preparing to implement the **EU Pay Transparency Directive** (likely from 2026), which will require:

1. Publishing salary bands for job roles.
2. Conducting pay equity audits.



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## DISCLAIMER

This document is for informational purposes only and should not be used as solid legal advice. We advise that with respect to any issue or problem the advice of a knowledgeable attorney is taken. Parakar can facilitate such consultation at a cost. The opinions expressed in or through this document are the opinions of the individual author and may not reflect the opinions of the firm or any individual attorney.

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## OUR IRISH EXPERT TEAM

While Kayleigh and Kim are your primary points of contact and will guide you through your HR matters, they are supported by a dedicated team of HR operations experts with in-depth knowledge of HR processes in Ireland. Meet the team:



Agustina Insiburo  
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Daniela Romano  
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**You're welcome,  
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