



**BREAKFAST BRIEFING ON**

# **CROSS BORDER TAX & EMPLOYMENT**

**FOR WORKERS & EMPLOYERS**

HR Team  
Seminar

# Employment Law Updates – ROI & NI

Tuesday 12<sup>th</sup> May 2026

HR Team

# Recent Employment Law Updates in ROI

## Recent Employment Law Updates in ROI

### Auto-Enrolment Pension Scheme

- Ireland's Auto-Enrolment Retirement Savings Scheme, called My Future Fund, began on 1<sup>st</sup> January 2026.
- Employees who meet the eligibility criteria – aged between 23 and 60, earning €20,000 or more per year, and not currently enrolled in a company pension scheme – will qualify for auto-enrolment.
- Employers must register their organisation with the new National Automatic Enrolment Retirement Savings Authority (NAERSA).
- Contribution rates:

Year	Employee Contribution	Employer Contribution	State Top Up	Total Contribution
Years 1-3	1.5%	1.5%	0.5%	3.5% of gross pay
Years 4-6	3%	3%	1%	7% of gross pay
Years 7-9	4.5%	4.5%	1.5%	10.5% of gross pay
Years 10+	6%	6%	2%	14% of gross pay

## Recent Employment Law Updates in ROI

### **Auto-Enrolment Pension Scheme**

- Employees can opt out during months 7 and 8 after enrolment. All contributions can be refunded through the system. Anyone who opts out, will be automatically re-enrolled after 2 years.
- Employees who are not eligible and choose to voluntarily opt in and the employer must contribute in the same way for them.
- Employees who already are part of an existing pension scheme through payroll are not auto-enrolled. If your company pension scheme matches the contribution rates of auto-enrolment, you can enrol employees in your scheme instead of auto-enrolment if it is part of the employee's contract of employment.
- Employers still need to provide access to a PRSA but they are not required to contribute to it.

## Recent Employment Law Updates in ROI

The Karshan (“Domino’s Pizza”) Decision (2023)

A Landmark Shift in Worker Classification in Ireland

The Supreme Court decision in Karshan (Midlands) Ltd v Revenue Commissioners fundamentally changed how Irish authorities determine whether a worker is:

- **An Employee**
- **An Independent Contractor**

The ruling is now actively applied by:

- Revenue Commissioners
- Workplace Relations Commission
- Labour Court
- Department of Social Protection

## Recent Employment Law Updates in ROI

The Five-Question Karshan Test

The Supreme Court introduced a **structured five-question test**:

Key Focus: “Control”

The Court identified **control** as the strongest indicator of employment status

Control Indicators Include:

- Who sets the worker’s schedule
- Requirement to follow company procedures
- Genuine ability to provide a substitute
- Who directs how work is performed
- Degree of integration into the business
- Presence of supervision or disciplinary oversight

## Recent Employment Law Updates in ROI

### EU Pay Transparency Directive

- EU Member States required to implement the Directive by 7 June 2026
- Objective:
  - Strengthen equal pay rights
  - Improve pay transparency
  - Reduce gender pay disparities
  - Enhance employee access to legal remedies
- Irish Government has confirmed full implementation will not be completed by June 2026
- Directive expected to be introduced on a phased basis

## Recent Employment Law Updates in ROI

### Existing Irish Framework

- Ireland already introduced gender pay gap reporting obligations in 2022
- Currently employers with 50+ employees must prepare a gender pay report annually

## Recent Employment Law Updates in ROI

### EU Pay Transparency Directive

- Under the Directive, employees will have statutory rights to request pay data, including their own pay details, average pay for colleagues doing the same or equivalent work (broken down by gender) and information on pay bands and pay progression criteria. Employers will be required to respond within a set timeframe (typically 1-2 months).
- Gender pay gap reporting will also expand. Employers will be required to provide much more detailed information on pay differences between categories of workers who are doing the same work or work of equal value.
- A Joint Pay Assessment in cooperation with workers' representatives will be required where all of the following apply:
  - The gender pay gap report shows a difference of at least 5% between men and women in any category of workers
  - That difference cannot be objectively justified on gender-neutral grounds
  - The issues has not been addressed within six months of the report being published.

## Recent Employment Law Updates in ROI

### Changes in recruitment

- Employers will be required to provide information about salary levels in the job advertisement.
- The advertising of a role where this information is not included will be prohibited
- Employers will be prohibited from asking job applicants about their pay history.

## Recent Employment Law Updates in ROI

### EU Pay Transparency Directive

What employers can do now to prepare:

- Conduct a pay review/audit
- Identify and document the reasons for pay differences
- Review how pay is set and progressed
- Tighten up job descriptions and role clarity
- Review recruitment practices
- Check contracts and policies
- Prepare managers for pay transparency conversations
- Create an action plan

## Recent Employment Law Updates in ROI

### Retirement Law Updates

- Under The Employment (contractual Retirement Ages) Act 2025 which become law on 16<sup>th</sup> December 2025, employees can now request to work beyond their contractual retirement age up to the State pension age of 66.
- This applies where employment contracts currently require retirement before the age of 66.
- Employee must notify their employer at least 3 months before retirement (and no earlier than 12 months before retirement) and employers may refuse only where there is an objective and reasonable justification.
- A new WRC Code of Practice is still awaited before full implementation, but employers must provide a written response within 1 month of a request.
- Employees are protected from penalisation for seeking to remain employed.

# Recent Employment Law Updates in NI

## Recent Employment Law Updates in NI

### Miscarriage Leave

- Since 6<sup>th</sup> April 2026, Northern Ireland has introduced the UK's first statutory miscarriage leave and pay scheme following public consultation.
- Anyone who experiences pregnancy loss at any stage, together with their partner, will be entitled to 2 weeks protected leave and Statutory Bereavement Pay from the first day of employment
- This measure is extending the existing Parental Bereavement Leave framework, which currently covers stillbirths (after 24 weeks) and the death of a child under the age of 18.
- Employees will be entitled to 2 weeks of paid leave at £194.32, and the leave can be taken within 56 weeks of the loss, either in one block or two separate weeks.
- No medical evidence is required, a simple declaration to the employer will suffice.

## Recent Employment Law Updates in NI

### **Changes to Statutory Sick Pay (SSP)**

- Since 6<sup>th</sup> April 2026, Statutory Sick Pay in Northern Ireland became payable from the first day of absence.
- This removed the previous 3-day waiting period.
- The lower earnings limit was also removed.

## Recent Employment Law Updates in NI

Northern Ireland updates statutory employment compensation limits every April.

From April 2026:

- maximum unfair dismissal compensatory award increased to £123,785
- maximum “week’s pay” for redundancy calculations increased to £783

## NI: Good Jobs Employment Rights Bill (Northern Ireland)

### **Major Employment Law Reform**

The bill is still being drafted by the Department for the Economy and has not yet fully completed Executive approval or Assembly scrutiny

- Most significant employment law reform in Northern Ireland in decades
- Built around four core themes:
  - Terms of employment
  - Pay and benefits
  - Voice and representation
  - Work-life balance

## NI: Good Jobs Employment Rights Bill(Northern Ireland)

Zero hour contracts: Views were being sought on:

- Zero-Hours & Low-Hours Contract Reform
- Right to request banded-hours contracts
  - Contracted hours to reflect actual working patterns
- Employers required to:
  - Provide reasonable notice of shifts
  - Compensate workers for cancelled shifts
- Ban on exclusivity clauses in low-hours contracts
  - Applies where earnings fall below the lower earnings limit

## NI: Good Jobs Employment Rights Bill(Northern Ireland)

### Work-Life Balance & New Leave Rights

#### Proposed New Rights

- Introduction of a right to disconnect
- Enhanced family-friendly leave rights:
  - Neonatal leave and pay
  - Greater flexibility for paternity leave
  - One week unpaid carer's leave

## NI: Good Jobs Employment Rights Bill(Northern Ireland)

### **Current Position**

- Written statement provided within two months of employment

### **Proposed Changes**

- Day-one entitlement
- Extended beyond employees to include workers
- Employers must provide contractual details at the outset of engagement

## NI: Good Jobs Employment Rights Bill(Northern Ireland)

### **Trade Union Access & Recognition**

- Expansion of trade union access rights
- Employee threshold for statutory recognition reduced:
  - From 21 employees → 10 employees
- Increased digital access rights for unions
- Greater likelihood of unionisation in smaller businesses

## NI: Good Jobs Employment Rights Bill(Northern Ireland)

### **Holiday Pay Reform**

Following the Agnew Supreme Court Decision

- Introduction of a 52-week reference period for holiday pay calculations
- Aligns Northern Ireland with Great Britain

Practical Impact

- Seasonal peaks and regular overtime included
- Likely increase in holiday pay for many employees
- Replaces previous 12-week reference period

## NI: The Good Jobs Plan

### Other potential areas of change:

- **Redundancy Notifications:** Company directors could become personally liable for not notifying the Department when making 20 or more redundancies.
- **Agency Workers:** Changes could be introduced to ensure pay parity for agency workers and mandate a "Key Information Document" to clarify employment terms.
- **Employment Status:** Efforts are underway to address bogus self-employment, where workers are wrongly classified as self-employed, depriving them of rights.
- **Fire and Rehire:** Regulations may be introduced to curb unfair dismissal and re-engagement practices.

## NI: The Good Jobs Plan

### Pay & Benefits

The Department is also considering changes that could affect how businesses manage tips, payslips, holiday pay, and working hours:

- **Fair Distribution of Tips:** Legislation might require employers to fairly distribute tips among workers.
- **Payslip Changes:** All workers, including freelancers and contractors, could receive detailed payslips showing the hours worked, and show hours on payslips where the pay varies by the amount of time worked.

## NI: The Good Jobs Plan

### Pay & Benefits (continued)

- **Record Keeping for Working Hours:** The Department is exploring whether stricter record-keeping for working hours is needed to avoid disputes.
- **Right to Disconnect:** There is a consideration of whether a "right to disconnect" should be introduced to ensure a healthy work-life balance. This would allow workers to disengage with work and not be contacted by their employer outside of their normal work hours

# NI: The Good Jobs Plan

## Conclusion

Northern Ireland is moving toward a much more regulated labour market model, borrowing elements from:

- the Republic of Ireland
- recent GB employment reforms
- some wider European-style worker protections

## NI: The Good Jobs Plan

### FAQ's for Cross Border workers

- Which employment laws apply to a cross-border employee?
- Do we need separate employment contracts or policy addendums?
- Are our disciplinary and grievance procedures valid across jurisdictions?
- What are our obligations regarding working time and leave?
- Should we permit full-time remote working for Cross Border Workers?

Thank you for listening!

If you have any questions on any of the topics covered today, please reach out to us.

**Call us:**

- UK: +44 2871 271882
- Ireland: +353 1 485 3077

**Where to find us:**

- Derry  
10A Ebrington Square, Derry/Londonderry, BT47 6FA, Northern Ireland.
- Dublin  
Level 1, The Chase, Sandyford, Dublin, D18 Y3X2, Ireland.
- London  
Kemp House, 152 City Road, London, EC1V 2NX, United Kingdom.

**Email addresses:**

- [Breda@hrteamservices.com](mailto:Breda@hrteamservices.com)
- [Martina@hrteamservices.com](mailto:Martina@hrteamservices.com)





**BREAKFAST BRIEFING ON**

# **CROSS BORDER TAX & EMPLOYMENT**

**FOR WORKERS & EMPLOYERS**

# Tax Implications for Cross Border Employers & Workers

12<sup>th</sup> May 2026

Ross Flynn  
PMK Accountancy

35 Main Street, Camlough, Newry, Co. Down, BT357JG

Tel: 028 3083 8401

[www.pmkaccountancyservices.com](http://www.pmkaccountancyservices.com)

[info@pmkaccountancyservices.com](mailto:info@pmkaccountancyservices.com)



# The Cross Border Workforce in 2026



- The Common Travel Area gives people the right to live and work across the island - but it does not remove tax or social security obligations
- Remote/hybrid working has dramatically increased complexity
- Now affects all types of businesses

# Typical Cross Border Scenarios



Scenario	Risk Area
NI resident employed by ROI employer	UK tax exposure
ROI resident employed by NI employer	Irish tax exposure
Hybrid worker crossing border occasionally	Payroll complexity
Remote worker working fully from home	Permanent establishment & payroll risks

# Core Tax Principle

- Employment income is taxed where duties are physically performed
- Physical work location determines taxing rights; for example:
  - Belfast resident working in Dublin → Irish PAYE
  - Dublin resident working in Belfast → UK PAYE
- UK-Ireland Double Tax Treaty
  - Ensures that same income is not taxed twice

# Cross-Border Payroll Challenges



- PAYE withholding
- Shadow payrolls
  - Secondary payroll operated in another jurisdiction purely for compliance
  - Employee will still be paid through main payroll but tax reporting obligations through country where work happens
- Multi-jurisdiction payroll obligations
  - May mean that you need to operate UK and Irish Payroll
- Employer registration requirements

## Hybrid Working: Biggest Risk Area in 2026



- Hybrid working creates:
  - Split tax exposure,
  - Split social security exposure,
  - Employer uncertainty
- Many employers approved hybrid working but never assessed payroll consequences and PRSI/NIC exposure
- Permanent Establishment Risk
- Ireland and UK discussing simplified framework for cross-border hybrid workers.

# Transborder Workers Relief (Ireland)



- Available to Irish residents working abroad
- Common for ROI residents working in NI
- Relief can eliminate Irish “top-up” tax
- Key conditions:
  - Employment exercised abroad
  - Return home at least weekly
  - Tax paid abroad
- Important contrast: No equivalent UK relief exists for NI residents working in ROI.

# Social Security: Often More Important Than Tax



- Ireland- PRSI vs UK- National Insurance
- Different charging systems
- Different employer costs (UK 15% & Ireland 9%/11.25% (rising by .15% from 1<sup>st</sup> Oct 2026)
- Different benefits systems
- Different pension consequences

# Which Country Gets the PRSI / NIC?



- Social security is generally payable where the work is performed
- Generally insured in only one jurisdiction at a time to avoid double contributions
- A1 certificates
  - Certificate confirms which country's social security system applies
- Multi-state worker rules
  - If substantial work performed in home country, social security may switch there

# Hybrid Working & Social Security Complications



- This is where employers usually get caught.
- 25% rule
  - If employee performs substantial proportion of work in home country: social security may apply there
- Employer contribution exposure
  - Potential historic underpayment exposure,
  - backdated contributions,
  - penalties,
  - correction costs.
- Example: NI employee works 3 days at home in Belfast and 2 days in Dublin. Potential outcome: UK NIC rather than Irish PRSI

## Pension Entitlement- Potential Issues for Cross Border Workers



- UK
  - Must have 35 Qualifying Years to get full pension (minimum 10 years to get partial)
  - Can pay NIC voluntarily to fill gaps to preserve pension entitlement
- Ireland
  - Based on PRSI contribution history
  - Must have paid PRSI contributions for at least 520 weeks for the minimum entry requirement
- Aggregation
  - Helps avoid people falling between two systems
  - Can ensure entitlement if you do not meet either criteria
  - Person may receive partial pension payments from both jurisdictions

# Top Employer Risks

- Incorrect payroll operation
- Failure to register
- Underpaid PRSI/NIC
- Permanent establishment risk
- Employment law mismatch
- Revenue/HMRC penalties

# Practical Steps for Employers



- Track employee workdays
- Review contracts
- Assess payroll obligations
- Obtain A1 certificates
- Implement hybrid working policies
- Carry out annual compliance reviews

# Key Takeaways



- Employees:
  - Residency matters
  - Work location matters
  - Double tax relief does not remove filing obligations
- Employers:
  - Hybrid working creates real compliance risk
  - Social security can be more expensive than tax
  - Cross-border policies need annual review



**pmk**  
ACCOUNTANCY

**Contact Details**

35 Main Street, Camlough, Newry, Co. Down, BT357JG

Tel: 028 3083 8401 / 048 3083 8401

[www.pmkaccountancyservices.com](http://www.pmkaccountancyservices.com)

[info@pmkaccountancy.com](mailto:info@pmkaccountancy.com)



**BREAKFAST BRIEFING ON**

# **CROSS BORDER TAX & EMPLOYMENT**

**FOR WORKERS & EMPLOYERS**