



Global Reward Update

Ireland New Employer Share Scheme Reporting June 2021

Key points to know

- A new electronic share scheme reporting obligation has been introduced for 2020.
- It is due to cover all share awards, and awards settled in cash that do not fall within the existing RSS1 (where stock options are reported) or approved schemes returns.
- The reporting deadline for 2020 is **31 August 2021**. In later years, the filing date will be 31 March in line with existing reporting for share options (RSS1) and approved schemes.
- The new form is still in development and is expected to be released by the Irish Revenue in June 2021.

Background

Historically the relevant section of legislation included a requirement for all share awards to be reported by 31 March unless the particulars were reportable under any other provision of legislation. Where share awards were reported via payroll, employers typically relied on this as satisfying their reporting requirements.

Share options are reported annually on the existing electronic Form RSS1 and Irish approved schemes are reported on the existing specific annual online returns. This is not due to change and reporting should have already taken place by 31 March 2021 for 2020.

Finance Act 2020 has extended the scope of the reporting requirements for employers to include:

- awards given to directors and employees in the form of a cash equivalent of shares; and
- where a discount on shares is provided.

Unless Revenue makes any changes, both share and cash settled RSUs will need to be reported in the new return. There will be information to report in relation to both grants of awards and vestings in the year.

The new return is called the Employers Share Awards (ESA) return and it must be uploaded through the Revenue Online Service (ROS) as is the case for existing share plan returns.

All other types of share awards / phantom share awards should be reported on the ESA return (e.g. performance shares, restricted shares, convertible securities and forfeitable shares).

Deloitte's view

We understand from Revenue that the new ESA return will cover all share awards, and awards settled in cash, not falling within the existing RSS1 or approved schemes returns.

For large employers in Ireland, this new requirement is likely to require a significant amount of additional time, especially in the first year. We are also anticipating additional complexities for employers with a large mobile workforce.

Employers will need to consider where the relevant information will be sourced and whether they have sufficient resources to complete the return prior to 31 August 2021.

We appreciate that the current uncertainty regarding the exact format of the online return and the data set that will be required presents a challenge when planning for the new requirement and we eagerly await the release of the new return.

Who to contact

If you would like to discuss this further, or have any questions, please speak to your usual Deloitte contact or any of the contacts listed below:

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