



**Global Reward Update**  
Ireland

Reintroduction of Save As You Earn



## Headlines

- Save As You Earn ("SAYE") is returning to Ireland after AIB were announced as the new licensed savings carrier operating with Computershare as the Administrator.
- SAYE is a tax-advantaged savings related share option scheme that has historically been popular in Ireland. However, it has not been possible to grant new SAYE awards since 2021 due to the lack of a licensed savings carrier.
- This is effective immediately therefore employers can now offer SAYE awards to their employees.

## What is SAYE?

SAYE schemes have proved to be both a tax effective method of saving and an attractive mechanism to allow employees to participate in the success of the company.

Under an SAYE scheme an employee agrees to save, with an approved savings provider, a fixed sum out of net pay (of between €12 and €500) for a predetermined period (three, five or seven years). At the same time the employee is granted an option to purchase shares in the employing company or parent company at a predetermined price. The predetermined price can be the market value of the shares at the beginning of the savings period with a discount of up to 25%.

At the end of the savings period, employees can:

- Use their savings to purchase some, or all, of the shares covered by the option, and any gain realised on exercise of this option is exempt from income tax;
- Withdraw their savings (including interest earned) in cash as a tax-free sum; or
- Continue to invest with the savings provider.

There are certain conditions that must be met in order to qualify as a tax-advantaged SAYE including that all employees (subject to certain permitted exclusions) must be offered the opportunity to participate on similar terms. Revenue approval must be received in order to operate the scheme.

## Reintroduction of a new savings carrier

Since 2021 there has been no licensed savings carrier in Ireland and it has therefore not been possible to grant new SAYE awards or implement new plans.

AIB has now been announced as the new licensed savings carrier in conjunction with Computershare who will administer any new SAYE arrangements.

## Deloitte's view

The reintroduction of SAYE in Ireland should be a welcome change for both employees and employers, particularly for those who have historically participated in and operated SAYE schemes.

For companies considering reinstating their SAYE scheme, consideration should be given to whether existing plan documentation, including employee communications and explanatory brochures, remains fit for purpose. Revenue approval should also be sought prior to any new awards being granted as the savings carrier and employee documentation will be changing.

Deloitte can also assist with all aspects in relation to the implementation of new SAYE schemes including:

- Drafting of plan documentation;
- Support with obtaining Revenue approval;
- Preparation of employee and employer tax guides; and
- Preparation of explanatory documentation and delivery of employee training sessions.

### 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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