

Non-Resident individuals exercising a short-term employment in the State

Part 45 Chapter 1

Tax Treatment for Foreign Students

This document was last reviewed June 2017

Introduction

This Manual advises on -

- (a) the possibility of non-resident students being entitled to personal tax credits, and
- (b) the circumstances whereby an exclusion order may be issued in respect of such a student who comes to work in the State on a temporary basis as part of an exchange programme run by certain student organisations.

1. Foreign Students exercising an Employment in the State

Foreign students who come to work in Ireland on a **temporary** basis are generally from countries with which Ireland has a Double Taxation Agreement (DTA). Accordingly, they may be entitled to a proportion of personal tax credits under Section 1032 (see manual 45.01.01) or under the terms of a Double Taxation Agreement

In some cases e.g. students engaged as au-pairs, hotel/catering staff on work experience, etc. (other than students to which Paragraph 3 of this Tax & Duty Manual applies), the issue of a notice of tax credits (with full personal credits) on a Week One/Month One Basis may be an appropriate way of granting a proportion of the personal tax credits.

For foreign students who come to work in the State as part of an exchange programme run by certain student organisations, an exclusion order may be issued in cases where the requirements set out in Paragraph 3 below are met.

2. Exclusion Orders – Foreign Students

Exclusion orders may be granted in respect of foreign students coming to work in the State on a temporary basis as part of an exchange programme run by one of the following student organisations –

- U.S.I.T.
- I.A.E.S.T.E.
- A.I.E.S.E.C.

if the following conditions are satisfied –

- the period of time in the State does not exceed four months, dating from the time the student arrives here,

- the student's earnings do not exceed the single person's tax credit, and
- the application for exemption must be made through the student organisation, and must include the following information –
 - (a) name and address of employer,
 - (b) date employment commenced,
 - (c) rate of pay,
 - (d) the date the student arrived in the State, and
 - (e) the date he/she intends to depart.

An exclusion order will be issued in respect of only one employment, and should be dated from the first day of employment but should not exceed four months from the date the student **arrives in the State**.

The student organisation should retain the following documents, which should be available to the Revenue Commissioners, if needed –

- (i) a copy of the student's application to the programme,
- (ii) a copy of the student's work permit (where one is required by law).

A PAYE Exclusion Order in respect of a student should be endorsed with the following statement:

This PAYE Exclusion Order is valid from {inset date} to {insert date}, and where the total emoluments payable to {insert name} do not exceed {insert the amount which would be covered by the single person's personal tax credit; €8,250 in 2016}.

In the event of failure to fulfil any of the aforementioned conditions, the exclusion order should be withdrawn.