



EMPLOYMENT BULLETIN

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IRELAND BUDGET 2019 ANNOUNCED

On 9 October, the Minister for Finance and Public Expenditure and Reform, announced the Budget 2019.

USC RATE & BAND REDUCTION

Incomes of €13,000 or less will continue to be exempt from USC in 2019, the third-rate band rate USC was reduced from 4.75% to 4.5% and the threshold for the 2% USC was increased by €502 going from €19,372 to €19,874. This increase will ensure that a full-time adult worker who benefits from the increase in the hourly minimum wage (€9.80) will remain outside the top rates of USC tax rate.

The following changes to USC will apply from 1 January 2019.

Income	Rate
€0 – €12,012	0.5%
€12,012 – €19,874	2%
€19,874 – €70,044	4.5%
€70,044+	8%

INCOME TAX CREDITS

The standard rate income tax band for all earners from

€34,550 to €35,300 for single individuals increased by €750.

The Home Carer Tax Credit increased again by €300 - going from €1,200 to €1,500.

The Earned Income Credit for the self-employed increases by €200 going from €1,150 to €1,350.

EMPLOYER'S PRSI

From 1 January 2019, the weekly income threshold for the higher rate of employer's PRSI will be increased from €376 to €386.

CORPORATION TAX RATE

The Minister reaffirmed that the longstanding 12.5% Corporation Tax Rate will not be changing.

PAID PARENTAL LEAVE

A new paid parental leave scheme will be introduced in November 2019. The new paid parental scheme will provide two extra weeks' leave to every parent of a child in their first year. This is expected to increase to seven weeks' leave over time.

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NETHERLANDS

The Dutch government released the 2019 budget on 18th September 2018, which includes plans for amendments to the Dutch tax laws.

INTRODUCING A TWO-TAX BRACKET SYSTEM

In 2019, the current income tax brackets will be reduced in preparation for the two-bracket system that will be implemented in 2021. From January 1st, the income tax rates will be 36.65% for income up to €20,142, 38.10% for incomes from €20,142 up to €68,507 and 51.75% for income above €68,507.

By 2021, a common basic rate of 37.05% will apply for income up to €68,507 and 49.50% for incomes above €68,507. The limit where the top rate begins will be frozen until 2025.

Income	Tax rate %
income up to €20,142	36.65%
income up to €68,507	38.1%
income above €68,507	51.75%

Income	Tax rate %
income up to € 68.507	37.05%
income above € 68.507	49.50%

SHORTENING MAXIMUM DURATION OF 30% FACILITY

The Dutch government has postponed the cuts to the 30% ruling for two years. From 1 January 2021, the duration of the 30% facility for employees from abroad is reduced from eight to five years. There will be no transition period. The 30% Ruling is a fixed tax-free allowance available to highly skilled workers who are recruited from abroad to work in the Netherlands. The ruling allows for 30% of a worker's salary to be paid tax free. The proposed change will apply to both new as well as existing claimants.

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