

Understanding Emergency Tax

What is Emergency Tax?

This is an alternative basis of tax deduction. This is when your income is taxed at the higher rate of 40%.

Why am I on emergency tax?

- You are set up on two different employers payroll.
 - o If you are moving sites, you are still set up on payroll in your old site to receive your final overtime payments (where applicable) and Revenue has not been notified you have left his employer.
 - o Your new employer has set you up on their payroll.
- If it is your first job, then your new employer may not have notified Revenue of your employment. This means your new employer is not aware how much income tax and USC to deduct from your pay.

How can I avoid emergency tax?

- Ensure your employment is registered on Revenue to speed up the process and avoid being emergency taxed.
- When you are changing sites Emergency tax is often unavoidable as you are set up on two different payroll systems.

What is my entitlement?

- You are entitled to a Temporary Recoverable Payment (TRP) this will be paid in the first pay period to alleviate the financial burden of emergency tax.
- The TRP is a sum of €850 gross and will cover a period of 4 weeks (two fortnights).

What do I need to know?

- The TRP will be recouped in the third pay period for those paid fortnightly and will be recouped in the second pay period for those paid monthly.