



Employing a Nanny – A guide to tax obligations

1. Your first step will be registration. This includes:
 - a. Registering as an employer for PAYE / PRSI
 - b. Registering the nanny as your employee using P45 details if available.
2. Once the registrations are in place you will need to obtain the nanny's tax credit certificate from Revenue. If you are using ROS or a tax agent this should be available online. The tax credit certificate gives details of your employee's:
 - a. Tax credits
 - b. Standard rate cut off point
 - c. USC cut off points
 - d. Week 1 / Month 1 status
3. Using the information from the tax credit certificate you will then calculate, on a weekly or monthly basis the following:
 - a. Gross wages (wages and any other benefits, e.g. bus fare)
 - b. Tax to be deducted
 - c. USC to be deducted
 - d. Employee PRSI to be deducted
 - e. Net wages to pay to your nanny
 - f. Employer's PRSI
4. Each month or quarter you will need to file a return and pay over to Revenue the PAYE, USC and PRSI deducted in addition to the Employer's PRSI.
5. By mid-February each year you will need to prepare:
 - a. P60 for your employee – a statement of earnings with tax, USC and PRSI deductions.
 - b. P35 for Revenue – essentially a summary of the P30's for the year
6. If, for any reason, your nanny ceases employment with you, you will need to prepare a P45 which sets out the period of employment, earnings, tax, PRSI and USC.

Contact Bainbridge Tax Consulting

Web www.bainbridge.ie
Email: tax@bainbridge.ie
Phone: +353 1 9022 570

Useful links

Revenue online services - <http://www.revenue.ie/en/online/index.html>

Employer's guide to PAYE - <http://www.revenue.ie/en/business/payeguide/index.html>

Tax registration form - <http://www.revenue.ie/en/tax/vat/forms/formtr1.pdf>

PAYE / PRSI registration form - www.revenue.ie/en/tax/it/forms/premreg.pdf

DSP PRSI Guide (2014) - <http://www.welfare.ie/en/downloads/SW14.pdf>

This document is intended as a general guide only and is not intended as professional advice. No one should act on this information without obtaining appropriate professional advice.