



STATUTORY INSTRUMENTS.

S.I. No. 638 of 2017



SOCIAL WELFARE ACT 2017 (SECTION 3) (COMMENCEMENT)
ORDER 2017

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ORDER 2017

I, REGINA DOHERTY, Minister for Employment Affairs and Social Protection, in exercise of the powers conferred on me by section 1(3) of the Social Welfare Act 2017 (No. 38 of 2017), hereby order as follows:

1. This Order may be cited as the Social Welfare Act 2017 (Section 3) (Commencement) Order 2017.

2. The 1st day of January 2018 is appointed as the day on which section 3 of the Social Welfare Act 2017 (No. 38 of 2017) shall come into operation.



GIVEN under my Official Seal,
29 December 2017.

REGINA DOHERTY,
Minister for Employment Affairs and Social Protection.

*Notice of the making of this Statutory Instrument was published in
"Iris Oifigiúil" of 16th January, 2018.*

EXPLANATORY NOTE

(This note is not part of the Instrument and does not purport to be a legal interpretation.)

This Commencement Order brings section 3 of the Social Welfare Act 2017 into effect as and from 1 January 2018.

Section 3 of the Social Welfare Act 2017 provides for an amendment to the definition of the term “share-based remuneration” in section 2(1) of the Social Welfare Consolidation Act 2005 to cater for the introduction of a new tax relief, the Key Employee Engagement Programme (KEEP).

The objective of the KEEP programme which was announced in Budget 2018 and is provided for in the Finance Act 2017 is to support small and medium enterprises in Ireland in competing with larger enterprises in the recruitment and retention of key employees. Under the KEEP measure the value of the benefit of share options will be subject to tax (Capital Gains Tax) only when the employee disposes of the shares.

Section 3 of the Social Welfare Act 2017 provides that gains realised on the exercise of a share option under the KEEP programme by employees of qualifying small to medium enterprises will not be subject to PRSI.

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