

Member's Newsletter

October 2024

iSME
Irish **SME** Association



Dear member,

This monthly arrives in your inbox just as Budget 2024 is going to press.

We set out our priorities for Budget 2025 in our [Pre-Budget Submission](#). Unfortunately, it appears that Government is not yet buying into the SME agenda.

Adjustments to personal income bands are to be welcomed, but bear in mind that with the average industrial wage now over €50,000, at least €6,000 of average earnings will be taxed at the marginal rate.

We think it unlikely that the 3% USC levy on high-earning self-employed will be removed, a sign that the government thinks far more about employees in the public service than it does about wealth-creators and employers.

We are also worried to hear that surplus cash from the National Training Fund (NTF) is to be diverted into university spending. ISME is strongly in favour of a well-resourced third-level sector in Ireland, but spending money that is collected for skill training and life-long learning is not the way to do it.

It does seem that Government has heeded our call to abandon the proposal to impose a [CGT Liability on the transfer of family businesses worth over €10m](#). While this is good news, we remain concerned at how such a stupid proposal ever made it into the Finance Bill 2024, when it clearly ran counter to Government policy on scaling small businesses.

We have yet to see any clear direction on the National Minimum Wage for 2025. Minister Burke said an increase of €1.00 was not going to happen, but this does not mean there will be no increase. We remain of the view that benchmarking wages in Ireland against highly productive multinationals, which include third-party contract manufacturing that doesn't even originate in Ireland, is a fundamentally daft approach to wage-setting. It must change.

Minister Humphreys has confirmed that Auto-Enrolment [will commence in September 2025](#). While this has been postponed a number of times, we believe it will go ahead this time, as Government has chosen [TATA Consultancy Services](#) to run AE here, and they manage the UK system. **So please budget for a 1.5% increase in payroll cost from September 2025 for staff in scope.**

Lastly, I look forward to seeing as many of you as possible at the ISME annual Lunch in Killiney Castle next month on Friday, 29th November. We'll have a great line-up, and with the way in which expenses reporting has gone under Revenue [Enhanced Reporting Requirements](#), this is a rare opportunity to be able to treat your staff just before Christmas, while enjoying a great networking opportunity. See you there!

Nurture Development and Training Ltd

Kinetic Electrical Contractors

GB Barbers

PAT Cert

ALS Aviation Logistic Solutions

Davy Group

Darlington Consulting

Taxfree Bicycles

Velo Motions Ireland Ltd

Liffey Plastics Limited

The Village Butcher Ranelagh

Injection Moulds & Dyes Limited

Atlas Printing & Packaging Limited

Coghlan's Bakery

ISME welcomes new members

Save the Date: ISME Business Lunch

Mark your calendars for the ISME Business Lunch on Friday, November 29th at Fitzpatrick Castle Hotel, Dublin. This exclusive event is the perfect opportunity to network and discuss industry trends with fellow professionals. Don't miss out on this chance to connect and collaborate. Save the date and don't forget to book your tickets [here](#).



Your 2024 Employment Law Update

There have been several important employment law changes arising from the courts and new legislation in the past year. This webinar will provide important updates to Irish SMEs.

The important topics that Barrister of Law Katherine McVeigh covered are:

- Recent Code of Practice on the Right to Request Flexible Working and the Right to Request Remote Working, assisting members on the legal complexities of employees' requests for flexible or remote working arrangements.
- Legal changes to mandatory retirement ages in the workplace
- Increase of statutory sick pay and recent case law on an employer's obligation to pay sick pay
- Introduction of fines for employers in breach of employment laws, and how to avoid the fines
- Determining Employment Status: self-employed/ employee? Implications for employers, recent case law and new Code of Practice for guidance
- 2024 significant judgments from the courts that every employer should know about.

ISME: Business Advisory Webinar

Employment Law Update: *What the courts are ruling*

With practical advice from Barrister Katherine McVeigh

Register today

08.00 – 10.00am

Thursday 17th Oct



ISME members be sure to use the code ***emailed to you*** for a 10% discount. Book your tickets [here](#)

New ISME Affinity Partner

Take a look at the most recent addition to the ISME ADVANTAGE Affinity programme from ISME Member business Fexco. ISME Members can avail **No transaction fees** on all foreign currency payments and **Free FX Assessment** to identify and mitigate potential currency risks in your business. View all our Affinity programmes [here](#). ISME Members can access all offers when they log into the Members Area.



Advertise with the bISME

The **bISME** is the official quarterly online magazine of ISME. The bISME is sent to businesses across the country and carries comprehensive editorial content including: news; interviews with leading business figures; ISME services and lobbying updates; member profiles; HR; finance; topical issues facing Irish SMEs; lifestyle articles; and lots more.

We are planning issue 26 of the bISME. If you would like to advertise in our online publication with a growing circulation, take a look at the rate card [here](#) and email us at marketing@isme.ie

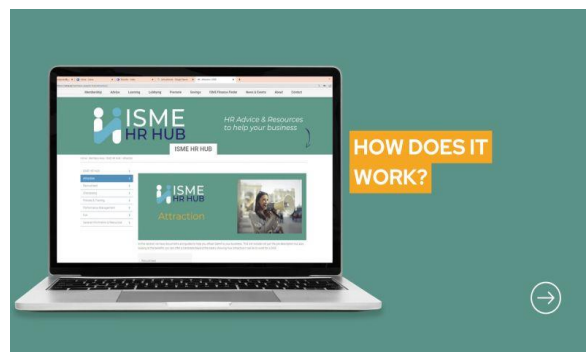


ISME HR Hub – your HR support

To support Members to deal with the ever-changing world of HR and employment law, we have created a portal to give you access to guides, templates, contracts, policies and more to support you in managing HR in your business. We have curated the information based on the HR Life Cycle: Attraction, Recruitment, Onboarding, Policies & Training, Performance Management and Exit.

You can also find information from government agencies and other third parties in our General Information & Resources page, links to the top downloads and view our selection of blogs including Statutory Sick Pay FAQs and EU Directive on Transparent and Predictable Working Conditions.

To find out how it works and looks, click on the video about the portal [here](#). To use the ISME HR Hub log into the Members Area, click on the top left button.



New free service makes it easier for Irish businesses to access supports



Running a business isn't easy, There are lots of things that can get in the way of success. Rising costs, increasing competition, struggling to find the right talent, and not having the time to focus on the important things. It's not easy but accessing support should be. And it starts here.

Bringing together over 180 supports from 19 different departments and agencies, the new National Enterprise Hub is the single source for all government support for your business. With everything from simple, easy-to-access grants to expert advice and training, our website has all the information, all in one place.

And don't worry about not knowing what you need: our helpful team of trained advisors available online or over the phone ([\(01\) 727 2100](tel:017272100)) will guide you every step of the way. So, whether you've applied for supports before, or it's your first time, we're here to help you get started.

Support starts here, visit www.neh.gov.ie for more information.

Avail of pension savings opportunities while they still exist.

If you have excess cash in your company, now may be a good time to review your retirement plan as the opportunity as it currently exists may well change in the coming months.

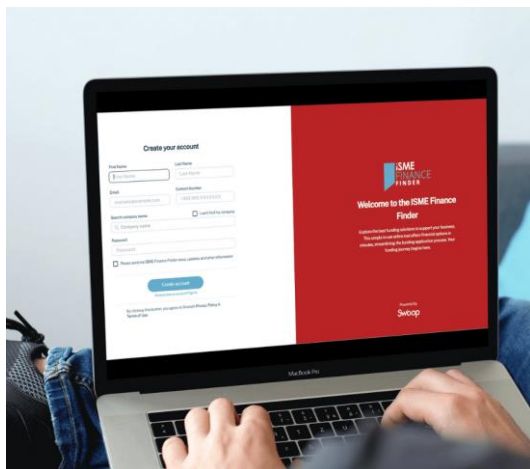
What is the opportunity?

Previously, business owners and directors may have been restricted on the level of company contributions to their occupational pension schemes. This is due to the funding calculation that applies to these schemes.

These changes mean business owners and directors can now extract cash, tax free, from their companies into PRSAs, by way of employer pension contributions, with no restrictions on the level of contributions which can be made.

ISME member Davy are offering a consultation with their team of pension and tax specialists who can assess your options with you as well as your tax adviser.

Follow the link here to find out more: [Important changes to the tax treatment of employer PRSA contributions | Davy](#)



ISME Finance Finder

To support businesses in accessing funding the ISME Finance Finder, powered by Swoop Funding, has updated and improved its online platform by introducing cashflow and forecasting tools, banking and accounting system integration, as well as equity funding. Register here now to explore the funding options available or to start a conversation about how much you could raise through equity. Your funding journey starts now by going to www.isme.ie/finance-finder

Neil McDonnell urges against misusing National Training Fund resources

In his recent article, Neil McDonnell, CEO of ISME, sharply criticized the suggestion to use the National Training Fund (NTF) to plug gaps in third-level education funding. While supporting increased investment in higher education, he emphasized that the NTF was created to enhance workplace skills for current employees and should not be diverted for other purposes. He highlighted the importance of upskilling Ireland's indigenous workforce, particularly in light of the digital and green transitions. He warns that misusing the NTF would be a "cynical diversion" of employers' money.

Read the full article [here](#) for more details.

The Parliamentary Budget Office has published its ready-reckoner ahead of #Budget2025 on 26th September.

This, and [Revenue \(Ireland\)](#)'s own ready reckoner are selectively quoted every year by politicians to advance an argument one way or the other, but it's most important to read the small print at the bottom of the page:

"The Ready Reckoner costings above assume no behavioural change from an increase or decrease in taxation (with the exception of tobacco products). In the case of large relative changes to tax rates or allowances, the cost or yield may not be directly in line with estimates shown" said ISME CEO Neil McDonnell.

As ISME has argued for many years, and as the Exchequer figures from [Department of Finance Ireland](#) conclusively show, there is now an inverse relationship between CGT rate and yield, with CGT declining year on year since 2022. Increasing the rate will reduce the yield, so you can effectively reverse the arrows on page 3 to get an accurate reflection of rate changes. ISME estimates that a reduction of CGT to 20% for IP/entrepreneurial transactions would increase CGT yield by at least €500m annually.

Read the [Ready Reckoner \(Pre-Budget 2025\)](#) for more insights.

ISME Wellness Programme

Partnering with Laya healthcare and their health and wellbeing provider, Spectrum.Life

Offering ISME Members a **24/7 Employee Assistance Programme**, with unlimited access for members, their employees & families to:

- 24/7 EAP service accessible via website, app, or live chat
- Up to 6 sessions of face-to-face counselling
- Video/telephone counselling
- Support across finance, legal, mediation, parenting coaching, life coaching & more

Special Member Rate:

€500 + VAT (fixed cost per year) for up to 30 employees. Each subsequent employee €9 + VAT per employee per year

Learn more here:

isme.ie/isme-wellness-programme

Health & Safety Authority Update



An tÚdarás Sláinte agus Sábháilteachta
Health and Safety Authority

- ❑ [Small Business Start-ups](#) : This short introductory course is suitable if you are starting a small business or have a new business. You will learn about the role of the Health and Safety Authority (HSA) and the importance of managing safety, health and welfare in the workplace. The elements of a health and safety management system are outlined on the course and the main duties of employers and employees under the Safety, Health and Welfare at Work Act 2005. Risk assessment and meeting Safety Statement requirements for your business is another key part of this course.
- ❑ [Small Business – Employees](#): This short introductory course is suitable for employees that are working in a small business. The course outlines the main duties of employers and employees under the Safety, Health and Welfare at Work Act 2005. It also addresses the impact of positive safety behaviour in the workplace. The course also includes key health and safety information required to keep you safe at work, including information on the roles of a Safety Officer and Safety Representative.
- ❑ [Small Business – Employers](#): This short introductory course is suitable for employers and the self-employed who are running a small business. The course outlines the role of the Health and Safety Authority (HSA) and the general duties of employers under the Safety, Health and Welfare at Work Act 2005. Information on vulnerable workers, including those in a sensitive risk group is provided. Risk assessment and the Safety Statement, and reporting accidents to the HSA is also covered on the course. The content is suitable across all work sectors
- ❑ [Occupational Health and Safety Guidance on Vulnerable Workers in the Workplace](#) guidance is written for employers and employees in all work sectors, including agency workers, contractors, migrant workers, part-time and temporary workers, and gig workers.
- ❑ A new course [Vulnerable Workers: A short Course for Employees](#) is now live on hsalearning.ie. This short awareness-raising course is for employees, including those who are vulnerable workers. The course will also be helpful to employers and managers, supervisors, safety personnel, and to organisations or educational bodies that are helping vulnerable persons to prepare for the workplace.
- ❑ [Why a Health and Safety Inspector Calls to your Workplace](#) guidance explains to you what to expect when a HSA inspector calls to your workplace to carry out an inspection or an investigation. It also explains what we do with the personal data we are required to collect during our workplace inspections and investigations.

HSA Events



The HSA will be hosting a National Conference on Safety Representatives in Dublin Castle on the 12th of November 2024.

All current Safety Representatives, employers, training organisations, instructors, professional health, and safety practitioners, those interested in occupational health and safety and anyone with occupational health and safety responsibilities are welcome to attend the conference.

The conference will include keynote speakers, panel discussion and round table discussions.

Click [here](#) to book your spot and learn more.

Green Business Supports

Ireland has a target to reduce carbon emissions (greenhouse gas emissions) by 51% by 2030, and to achieve a climate neutral economy by 2050. (source: Government Report). The sectoral emissions ceilings (SECs) agreed in July 2022 put in place targets for each sector to achieve this. The target for the enterprise sector is to reduce emissions by 35% by 2030. In order to do this, businesses are encouraged to invest in a greener future, through sustainable products, services and business models.

Whether your business is big or small, it is important to reduce emissions and promote sustainability in how you work. Click [here](#) to find a number of training, mentoring and financial supports for companies trying to reduce their carbon footprint

Events

The National Fintech Awards, Wed 2nd October, Mansion House Dublin, Book [here](#)

Virus Bulletin 2024, Wed 2nd Oct – Friday 4th Oct, Dublin, Book [here](#)

Architecture & Building Expo 2024, Wed 9th Oct- Thu 10th Oct, RDS Dublin, Book [here](#)

Auto Trade Expo 2024, Sat 12th Oct- Sun 13th Oct, RDS Dublin, Book [here](#)

The PTSB Ideal Home Show, Friday 18th October, RDS Dublin, Book [here](#)

Concerned about rising business costs?

Access up to 50% in
discounts on business
products & services
with the **ISME ADVANTAGE**
Affinity programme

**ISME members can save
now on
www.isme.ie/advantage**



Pension Auto-Enrolment

Auto-enrolment is a new pension savings scheme for certain employees who are not paying into a pension. They will be automatically included in the scheme but can opt out after 6 months.

Following an agreement by the Cabinet last week, Minister for Social Protection of Ireland, Heather Humphreys, has advised the scheme will commence, for employees who meet the requirements, from 30th September 2025.

The scheme will be overseen by the Pensions Authority, governed by a board of directors and will be held to account by the Financial Services and Pensions Ombudsman.

If your company does not operate a Pension Scheme and Employees do not have their own provisions for a PRSA or alternative pension scheme, employees who fall into the below categories will be automatically enrolled in the new pension scheme:

- Employees aged between 23 and 60
- Employees who are not currently part of a pension plan
- Employees earning €20,000 or more per year

The table below sets out the rates the employee, the employer, and the Government will pay:

Year of the auto-enrolment scheme	Employee Contribution Rate	Employer pays	Government pays
1 to 3	1.5%	1.5%	0.5%
4 to 6	3%	3%	1%
7 to 9	4.5%	4.5%	1.5%
10 and after	6%	6%	2%

Both an employer’s and the Government’s contributions are capped at €80,000 gross annual salary.

Now that a launch date has been announced, the next steps for Employers are:

- Communicate to Employees about what is Pension Auto-Enrolment and how it may impact them.
- Conduct business and workforce impact analysis by assessing the company workforce by age, salary and current retirement arrangements.
- Calculate the costs associated with contributions based on the annual employer % contribution outlined above
 - The new CPA will oversee the scheme and minimise administrative costs to employers with a cap of 0.5% per annum of assets proposed on management charges – these costs should be included in your forecasting model.
- Engage with payroll provider to understand if software will auto-calculate for auto-enrolment deductions and how to identify impacted employees within the system.
- If a current pension scheme in place for some employees, consider engaging with pensions provider to understand what the costs are to roll out for all impacted employees.

Where an employer does not meet their [auto-enrolment obligations](#), they may face fines of up to €5000, back payments with interest or legal action.

The government have prepared an Auto-enrolment guide for Employers which can be accessed [here](#).

The EU AI Act for Businesses webinar



The EU AI Act is a significant legislative initiative aimed at regulating artificial intelligence within the European Union. Proposed by the European Commission in April 2021, it is designed to ensure that AI technologies are deployed safely and ethically, balancing innovation with public safety and fundamental rights.

Join us on the morning of 10th October to hear Julie Galbraith, a partner of Eversheds-Sutherland and Head of the Employment Law Department, who will take us through the key fundamentals of the Act.

[BOOK YOUR TICKETS](#)

The key points for discussion:

- The new EU AI Act – what this means for businesses.
- Examples of how businesses are currently using AI in both employee and customer facing contexts (EG for Recruitment and Employment / Contacting customers).
- What are the key considerations surrounding the use of AI for these purposes.
- Day to day uses of AI that businesses should be aware of in their existing systems, and potential new uses of AI.
- AI in a data protection and IP context.
- Q&A session

About your presenter and AI expert Julie Galbraith:

Julie Galbraith is a Partner and Head of Eversheds-Sutherland's Employment Law Department. She advises clients on all aspects of the employment relationship from recruitment to termination. She works with public and private sector clients on contentious and non-contentious employment issues to deliver on the business needs of our clients. She advises HR, legal and business teams on a multitude of day-to-day and strategic issues such as disciplinary, grievance, performance management, equality, data protection, TUPE and termination of employment matters.

Chair of the Employment Law Association of Ireland (ELAI) and successfully lobbies on behalf of employment lawyers and employers to the WRC for reform. Julie was also recently appointed to the GAA's Central Appeal's Committee reflecting her experience in administrative law and procedural best practice.



The **ISME Skillnet** service is here to help both the business owner and their employees. ISME Members can receive up to 40% discount for ISME Skillnet training, view courses below.

UPCOMING COURSES:

COURSE	DATE	VIEW COURSE
Advanced VAT	Monday, 14th Oct	View Course
Sustainability Simplified: Create a Competitive Edge Through Impact	Wednesday, 16 th Oct	View Course

SCAN THE QR CODE TO FIND
THE FULL LISTING





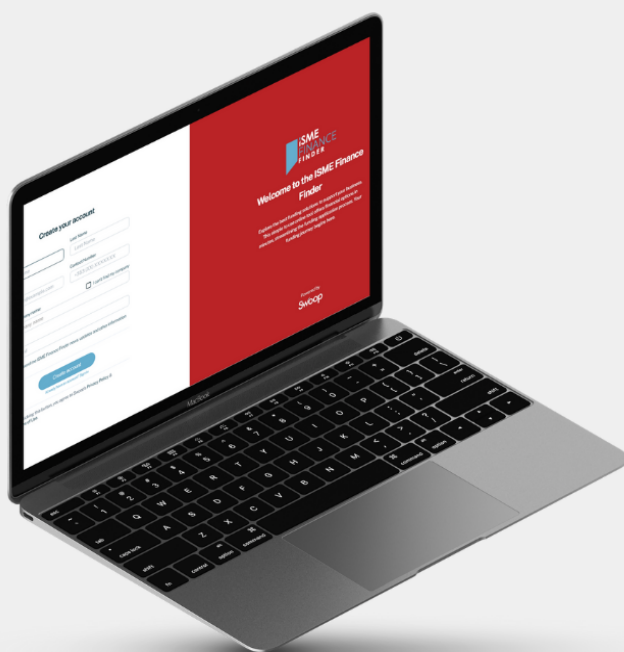
Do you want to...

start or expand your business?

improve cashflow?

acquire a business?

purchase property?



If so, your finance journey starts here

isme.ie/finance-finder