

My Name is:

My Address is:

Relevant Tax on a Share Option

Where a person exercises a share option and acquires shares for less than their market value, he or she is liable to income tax on the net gain, i.e. the difference between the market price of the shares on the date of their acquisition and the price paid (if any) to acquire those shares. An amount known as 'Relevant Tax on a Share Option' (RTSO) in respect of the income tax liability must be paid **not later than 30 days after the date on which the share option is exercised**. RTSO is to be calculated at the highest rate of income tax in force when the option is exercised, unless a person will be chargeable at the standard rate of income tax for the particular tax year and has applied for and obtained written approval to pay at the standard rate from his or her local Tax Office.

Share option gains are also chargeable to **USC** and employee **PRSI**. They are not chargeable to employer PRSI. Like Income Tax, USC is to be paid at the highest rate in force for the tax year in which the share option is exercised, unless advance approval is obtained for payment at a lower rate. The employee PRSI is to be paid at the rate applicable to the PRSI Class that applies to the employee for the particular tax year.

Return and payment of RTSO, USC and PRSI

A PAYE employee who exercises a share option and who is required to pay RTSO is registered as a self-assessed person for the tax year in which the share option is exercised. A return of income (Form 11) should be completed and returned to Revenue by 31 October in the following tax year. It should contain details of **all** taxable income including share option gains for the particular tax year and any payments made in respect of RTSO, USC and employee PRSI. Any payments made will be set against the person's total Income Tax, USC and PRSI liability for the particular tax year.

Meanwhile, this form RTSO1 is to be used for the purpose of making a payment of RTSO, USC and employee PRSI to the Collector-General. The completed form should be forwarded, with the payment due, to the address below. **It is important that the right amount of RTSO, USC and PRSI is paid and that it is paid within the 30-day deadline. Failure to do so will give rise to interest charges.**

Further information is available in leaflet CG16, which is available on the Revenue website at www.revenue.ie.

Please return this completed form, with payment, to:Office of the Collector-General,
Sarsfield House,
Francis Street,
Limerick.**Declaration**

My PPS Number is:

Date on which the share
option was exercised:**D D M M Y Y Y Y**Total Amount of Gain
made on Share Option: **.00**

Whole euro only - do not enter cent

RTSO, USC and PRSI

The amounts entered are a full declaration of my gain on the exercise of a share option on the date indicated and my liability to RTSO, USC and employee PRSI in respect of that gain.

Signature:

Your '**Total Liability**' should include the amount entered in the '**Total Amount of Gain Made on Share Option**' field, multiplied by the highest rates of Income Tax and USC (unless approval obtained for payment at lower rates) and the appropriate PRSI rate.

Total Liability:

 .00

Whole euro only - do not enter cent

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ENQUIRIES

Any enquiry regarding liability should be addressed to the Revenue Office dealing with your tax affairs.

Any enquiry regarding payments should be directed to the Collector-General at the address shown overleaf or phone 1890 20 30 70.

METHOD OF PAYMENT

- Cheque payments should be sent, with the completed payslip, to the Collector-General at the address shown overleaf.
- All cheques must be crossed and made payable to the Collector-General.
- Always write your PPS Number on the back of your cheque.

IMPORTANCE OF PROMPT PAYMENTS

- Make sure that you allow sufficient time - at least three working days - for your payment to reach the Collector-General by the due date.
- Late payment of tax carries an interest penalty.
- Failure to pay a tax liability, or to pay on time, can result in enforced collection through the Sheriff, Court proceedings or a Notice of Attachment under Section 1002 of the Taxes Consolidation Act, 1997.

Enforcement carries additional costs to any interest penalty charged.