



Important: Do not use this form to apply for a Relevant Payments Card (RCT 47) - Form RCT 46 should be used.

BLOCK CAPITALS PLEASE

Principal Contractor

Subcontractor

Name		
Address		
Telephone		
PPS/Tax Reference Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

This form should be completed jointly by a Principal Contractor (Principal) and a Subcontractor who are about to enter into a **new** Relevant Contract (i.e. a contract which is NOT a Contract of Employment), unless the Subcontractor has presented an original Notice of Exclusion to the Principal. See note below.

Notice of Exclusion

Certain Subcontractors will be eligible to apply for an exclusion from the RCT 1 process. Successful applicants will receive a Notice of Exclusion. For information on the RCT 1 exclusion, please contact your local Revenue office or visit www.revenue.ie > Taxes & Duties > Relevant Contracts Tax.

Notes for Subcontractors (Resident and Non-Resident):

Information on your tax obligations is included on page 4 of this form. Most importantly, you should note that:

- ◆ **Resident Subcontractor:** If your annual turnover from all contracts in a year is greater than the figure specified in the VAT Acts (€37,500 from May 2008) you must register for Value Added Tax (VAT). For further information on registering for VAT, visit www.revenue.ie.
- ◆ **Non-Resident Subcontractor:** For information on registering for VAT, visit www.revenue.ie or use the contact details at the bottom of page 4.
- ◆ You may have to register as an employer.

Obligations for Principal and Subcontractor:

1. **Principal and Subcontractor:** Before entering into a **new** relevant contract the Principal and Subcontractor must complete this form fully and accurately.
2. **Principal and Subcontractor:** Both parties must sign page 3 of this form and the Subcontractor must also sign page 2.
3. **Principal:** Subject to the requirements at 4 below, the Principal must retain this form for six years.
4. **Principal:** Within **7 days** of making the declaration, the Principal must deliver this form to his/her Revenue Office, **if any** of the following **exceptional circumstances** apply (please see page 2):
 - A. It is the first time the Principal has entered into a relevant contract with this Subcontractor.
 - B. Where the Subcontractor's PPS/Tax Reference Number has not been entered on the form.
 - C. Where the Subcontractor is not registered for Income Tax or Corporation Tax.
 - D. Where the Subcontractor is required to register for VAT and has not done so, or where the Subcontractor is registered for VAT but has not provided his/her VAT Registered Number. See Question 4 on page 2.
 - E. Where the Subcontractor will be employing others to carry out all or part of the contract and has not provided an Employer Registered Number.
 - F. Where the Subcontractor intends to subcontract all or part of the contract and is not registered with Revenue as a Principal.
5. **Principal:** Revenue may, by notice in writing, require a Principal to deliver this form to them within **21 Days** from the date of the notice.

Penalties:

Civil penalties can be imposed for each failure to complete, keep or deliver (when required) RCT 1 forms to Revenue. The law also provides for a fine of €5,000 on summary conviction, for each failure to meet these obligations.

REMINDER: The Principal and Subcontractor must sign the Declaration on page 3 of this form.

Comparison of the entitlements and treatment of Employees and Self-employed Individuals operating as Subcontractors

EMPLOYEE

SELF-EMPLOYED SUBCONTRACTOR

The way in which tax and PRSI is payable to the Revenue Commissioners

Will have tax and PRSI deducted from his or her income by the employer. The employer will also pay PRSI on behalf of the employee.

A resident Subcontractor must pay preliminary tax and file income tax returns whether or not he/she is asked for them. Please see notes on non-resident Subcontractors on page 4. A Subcontractor may also have to register for VAT, PAYE/PRSI and/or RCT. See page 4.

Entitlement to a number of social welfare benefits

Will be entitled to a broad range of benefits and State pensions, including Jobseeker's Benefit and Illness Benefit. Visit www.welfare.ie for details.

Will have limited entitlements to benefits and pensions (will have no entitlement to Jobseeker's Benefit or Illness Benefit). Visit www.welfare.ie for details.

Other rights and entitlements, for example, under Employment Legislation

Will have rights in respect of working time, minimum pay, holidays, maternity/parental leave, protection from unfair dismissal etc.

A Subcontractor will not have these rights and protections.

Public liability in respect of the work done

Will normally be covered under the employer's public liability insurance.

May have to provide his or her own public liability insurance.

Pension entitlement

May be entitled to membership of an occupational pension scheme. In the construction sector an employee is entitled to a benefit that will be at least equal to that set out in the Registered Employment Agreement.

May need to arrange his or her own private pension and, if an employer, will have to provide a pension scheme for his or her employees.

SUBCONTRACTOR DETAILS - To be completed by Subcontractor (All questions must be answered)

Depending on the answers provided by the Subcontractor to the questions below, the Principal may be obliged to send the completed form to his/her Revenue Office. Please see section entitled "Obligations for Principal and Subcontractor" on page 1 for details. Principals are not required to independently verify the information provided by the Subcontractor.

(Please **X** the appropriate box)

1. Is this the **FIRST EVER** relevant contract entered into between you and the Principal?

Yes ☐ No ☐

2. Enter your PPS/Tax Reference Number

If you are an individual and you cannot provide this information at this time, please give:

Your date of birth (DD/MM/YYYY)

3. Income Tax/Corporation Tax

If you are an individual, are you registered for Income Tax (for self-assessment purposes)?

Yes ☐ No ☐

If you are completing on behalf of a company, is the company registered for Corporation Tax?

Yes ☐ No ☐

4. Are you required to register for Value Added Tax (VAT)?

Are you registered for VAT?

Yes ☐ No ☐

If yes, enter your VAT registered number

Yes ☐ No ☐

Note: For guidance on limits for VAT registration, please see page 4

--	--	--	--	--	--	--	--	--	--

5. Are you an Employer?

If yes, enter your Employer Registered Number

Yes ☐ No ☐

Note: If you employ or intend to employ others to carry out all, or any part of the contract you must register with Revenue as an employer and operate PAYE/PRSI for those employees.

(Non-resident Subcontractors should refer to notes on page 4 regarding their requirement to register for PAYE/PRSI)

--	--	--	--	--	--	--	--	--	--

6. Do you intend to subcontract all or part of the contract?

Yes ☐ No ☐

If yes, are you registered with Revenue as a Principal?

Yes ☐ No ☐

This page must be signed by the Subcontractor

I confirm that:

- I have read and understand the comparisons between employees and self-employed Subcontractors (provided at the top of this page);
- The information I have provided is true and correct to the best of my knowledge and belief.

Signature of Subcontractor

Date / /

D D M M Y Y Y Y

7836009272

Date on which contract is to commence

$\begin{array}{|c|c|} \hline & \\ \hline \end{array} / \begin{array}{|c|c|} \hline & \\ \hline \end{array} / \begin{array}{|c|c|c|c|} \hline & & & \\ \hline \end{array}$
D D M M Y Y Y Y

Contract Value

€

--

 ,

--	--

 ,

--	--

 ,

--	--

 .

0	0
---	---

Description of Contract:

--

Duration of Contract:

--

Materials, plant and equipment provided by the Subcontractor:

--

Address of site where contract will be carried out:

--

Guidelines

If the following questions are answered correctly a clear indication as to the nature of the contract should emerge. You should read the Code of Practice for Determining Employment or Self-Employment Status of Individuals for further guidance (See page 4 for details). The overriding consideration or test in deciding whether a Relevant Contract is being entered into will always be whether the person performing the work does so “as a person in business on their own account”. Is the person a free agent with an economic independence of the person engaging the service?

All questions must be answered. Please ✕ the appropriate box

Will the Subcontractor:

- Supply materials?
- Provide plant and machinery necessary for the job other than hand tools?
- Engage other people to work on the contract at his/her own expense?
- Receive an agreed contract payment(s) without entitlement to pay for overtime, holidays, country money, travel and subsistence or other expenses payment?
- Be excluded from the industry pension and sick pay schemes, if a sole trader?
- Organise his/her own transport to and from sites?

Not applicable	
----------------	--

Yes No

Does the Subcontractor:

- Have a fixed place of business to take orders, bookings for contracts, store materials and equipment etc?
- Cost and agree prices for jobs?
- Provide his/her own insurance cover as appropriate e.g. public liability, etc?

Is the Subcontractor:

- Free to choose the method to be employed in carrying out the work without the direction or control of the site foreman/overseer? **Note:** In the construction sector, for health and safety reasons, all individuals are under the direction of the site foreman/overseer
- In business on his/her own account and able to provide the same services concurrently to others?
- Exposed to financial risk including bearing the cost of making good faulty/substandard work and overruns?
- Registered for Value Added Tax (VAT) if appropriate?

Declaration

We declare that:

- (i) to the best of our knowledge and belief all of the particulars given by us in this form are correctly stated,
- (ii) we have read and understand the guidelines contained in the Code of Practice for Determining Employment or Self-Employment Status of Individuals on the distinction between a contract of employment (employee) and a relevant contract (self-employed),
- (iii) having regard to the guidelines referred to in (ii) above we have satisfied ourselves that in our opinion the contract (described above) which we propose to enter into is **NOT** a contract of employment.

Signature of Principal Contractor

Signature of Subcontractor

This form applies to relevant contracts in the construction, forestry and meat processing industries. Information on this and other RCT forms is available on the Revenue website at: www.revenue.ie > Taxes & Duties > Relevant Contracts Tax.

Before completing this form, you must read the **Code of Practice for Determining Employment or Self-Employment Status of Individuals** to help you decide on the nature of the contract. If you require assistance, please contact your local Revenue Office or **Scope Section, Department of Social & Family Affairs**, Oisín House, Pearse Street, Dublin 2, website: www.welfare.ie.

For other assistance or information please refer to the following table

If you require:	Contact your local Revenue Office	Visit the Revenue website: www.revenue.ie	Contact Revenue's Forms and Leaflets Service LoCall 1890 306 706
Contact details of your local Revenue Office		✓	
Code of Practice for Determining Employment or Self-Employment Status of Individuals (The Code)	✓	✓	✓
RCT 1 Forms	✓	✓	✓
Assistance with completing Form RCT 1	✓		
Translations of the Code and Form RCT 1*		✓	✓
All other Revenue Forms	✓	✓	✓

* The Code and Form RCT 1 are available in the following languages:

❖ Irish ❖ Bulgarian ❖ Portuguese (Brazilian) ❖ Lithuanian ❖ Czech ❖ Spanish ❖ Slovak
❖ French ❖ Traditional Chinese ❖ Simplified Chinese ❖ Russian ❖ Polish ❖ German ❖ Romanian

Principal

The nature of the contract may be examined by the Revenue Commissioners, the Department of Social and Family Affairs, the Department of Enterprise, Trade and Employment and the National Employment Rights Authority (NERA). If a contract of employment was incorrectly classified as a relevant contract, the Principal will be liable to pay the PAYE and PRSI that should have been deducted together with interest and penalties as appropriate.

Resident Subcontractor

- You must register with Revenue for Income Tax using Form TR1 or Corporation Tax using Form TR2. You must keep business records, make a return of Income Tax or Corporation Tax and pay whatever tax and PRSI is due.
- If your annual turnover from all contracts in a year is greater than the figure specified in the VAT Acts (€37,500 from May 2008), you must register with Revenue for VAT using Form TR1 (or Form TR2 if a company). For further information on registering for VAT, visit www.revenue.ie. If you should have registered for VAT but failed to do so, you will be liable to pay the VAT together with interest and penalties, as appropriate.
- You must register for and operate PAYE/PRSI if you have employees. You must register with Revenue as a Principal by completing Form P33, if you intend to subcontract all or part of the contract.
- Tax deducted from payments made by the Principal to you will be available for credit against taxes and PRSI owed by you, **but it does not meet your obligation to make a return of income to Revenue.**

Non-Resident Subcontractor

- You must register with Revenue for all appropriate taxes and complete the relevant questionnaire and other documentation. You must keep business records. In the event of your contract or trading activity having ceased in the State, you are obliged to cancel your Tax Registration number.
- For information on registering for VAT, visit www.revenue.ie or use the contact details at the bottom of this page.
- If you are resident and liable to tax in a country with which Ireland has a Double Taxation Agreement, you are not required to register for Income Tax or Corporation Tax unless you have a permanent establishment in this State.
- You must register for and operate PAYE/PRSI for employees resident in the State. In certain circumstances, you may also have to register for and operate PAYE/PRSI for employees not resident in the State. You must register with Revenue as a Principal by completing Form P33, if you intend to subcontract all or part of the contract.
- For further information, visit www.revenue.ie or contact Revenue at:

Revenue Commissioners, City Centre District, 9/15 Upper O'Connell Street, Dublin 1.
Phone: (01) 865 50 00 Email: citycentrertvat@revenue.ie

THIS FORM MUST BE RETAINED BY THE PRINCIPAL CONTRACTOR FOR 6 YEARS