

SME Test: Review of Employment Permit Minimum Annual Remuneration

Screening question

Is the new policy, primary or secondary legislation, or regulatory compliance requirement relevant for SMEs¹?

The following questions must be answered:

- Are SMEs within the scope of the measure? Yes No
- Does the measure specifically target SMEs? Yes No
- Will or could SMEs be impacted directly or indirectly by the measure? Yes No
- Are SME impacts likely to be more substantial than on other companies, for example, in terms of adverse effects? Yes No

If you said yes to any of the above, complete Sections 1-5.

1. Consultation

1. What consultation will/has taken place to capture input from the SME community, particularly those most impacted by this measure?

- | | |
|--|-------------------------------------|
| Public consultation | <input checked="" type="checkbox"/> |
| Online consultation | <input checked="" type="checkbox"/> |
| Consultation with SME representative bodies | <input checked="" type="checkbox"/> |
| Notifications of consultation to database of interested stakeholders | <input checked="" type="checkbox"/> |
| Interviews and panels with experts | <input type="checkbox"/> |
| Webinars | <input type="checkbox"/> |
| Roundtables | <input type="checkbox"/> |
| Public meetings | <input type="checkbox"/> |

¹ Medium <250 employees, Small <50 employees, Micro SME <10 employees
As per EU definition of an SME: https://single-market-economy.ec.europa.eu/smes/sme-definition_en

Other

If Other, please provide details:

2. Identification of affected businesses

2a: Please identify the type of SMEs that will be directly or indirectly (i.e. SMEs not in scope, but potentially affected indirectly, for instance through impacts on supply chain) affected by proposed policy change -

- Micro (1-9 employees)
- Small (10-49 employees)
- Medium (50-249) employees
- All of the above

2b: Has an estimate been carried out of the numbers of micro, small and medium companies affected directly or indirectly by the measure?

Yes No

Based on the employment permits issued in 2025, up to 31st October, changes to employment permit measures will have an impact across enterprise of all sizes with the more gradual approach under the revised roadmap designed to ensure that they can more readily adapt to changes without significant disruption.

Table 1: Permits Issued 2025 to Oct 31st by Employer Size and Median Remuneration			
SME	Median Salary	CSEP & GEPs Issued	# Employers*
micro	€38,000	2,670	1,688
small	€37,056	4,563	2,498
medium	€37,000	7,451	3,274
large	€38,915	9,177	3,562
Grand Total	€38,000	23,861	6,862*

**The breakdown of employers by SME size includes some double counting, due to staffing levels increasing or decreasing between different permit applications.*

The breakdown of permits issued by employer size indicates a broad spread of permit holders across SME enterprises. Similarly, the distribution SMEs in receipt of GEPs and CSEPs issued this year is distributed across all 26 counties, most heavily concentrated in Dublin, followed by Cork, Limerick and Galway.

2c: Will the proposed policy change have a greater impact on SMEs in any particular economic sector?

Yes No

If Yes, please specify.

The distribution of SMEs by sector is broadly distributed, with the greatest concentration being in accommodation and food service activities (predominantly chefs) and health and social work activities which typically includes health care assistants, nurses, doctors and home carers.

Table 2: GEPs & CSEPS Issued 2025 - Employers by top 10 Economic Sectors		
Economic Sector	Share of large	Share of SMEs
I - Accommodation & Food Services Activities	20.29%	23.19%
Q - Health & Social Work Activities	14.51%	12.09%
S - Other Service Activities	10.56%	11.36%
J - Information & Communication Activities	7.93%	7.22%
F - Construction	7.90%	7.18%
A - Agriculture, Forestry & Fishing	6.23%	6.74%
C - All Other Manufacturing	4.65%	4.69%
K - Financial & Insurance Activities	4.60%	4.09%
G - Wholesale & Retail Trade	3.41%	3.94%
H - Transport & Storage	3.74%	3.62%

2d: Will the proposed policy change have a greater impact on SMEs in any particular region?

Yes No

If Yes, please specify.

The breakdown of permits issued by employer size indicates a broad spread of permit holders across SME enterprises. Similarly, the distribution SMEs in receipt of GEPs and CSEPs issued this year is distributed across all 26 counties, most heavily concentrated in Dublin, followed by Cork, Limerick and Galway.

Table 3: Employers in Receipt of GEP and CSEP in 2025 by county and enterprise size		
County of Employer	Share of Large Employers	Share of SMEs
Dublin	46.56%	45.97%
Cork	10.75%	10.93%
Limerick	4.21%	4.49%
Galway	3.92%	4.06%
Kildare	3.87%	3.79%
Meath	3.25%	3.59%
Tipperary	2.29%	2.23%

Table 3: Employers in Receipt of GEP and CSEP in 2025 by county and enterprise size

County of Employer	Share of Large Employers	Share of SMEs
Kerry	1.63%	2.03%
Wicklow	1.76%	1.94%
Wexford	1.68%	1.83%
Clare	1.79%	1.83%
Westmeath	1.76%	1.78%
Louth	1.71%	1.76%
Waterford	1.63%	1.63%
Kilkenny	1.81%	1.56%
Donegal	1.47%	1.49%
Mayo	1.41%	1.38%
Cavan	1.52%	1.22%
Offaly	1.01%	1.18%
Monaghan	1.01%	1.06%
Laois	1.31%	1.02%
Sligo	0.77%	0.88%
Carlow	1.15%	0.88%
Roscommon	0.91%	0.68%
Longford	0.56%	0.47%
Leitrim	0.27%	0.36%

3. Assessment of the impacts on SMEs

3a: What are the expected positive impacts of the policy change on SMEs ?

- Improved regulatory framework Yes No
- Improved working conditions Yes No
- Cost savings Yes No

If other, please provide details.

3b: Will the proposed changes result in any of the following impacts for SMEs?

- Administrative costs, including the obligation to provide information on the activities or products of the company, including one-off and recurring administrative costs? Yes No
- Compliance costs, including the obligation to pay fees or duties; and costs created by the obligation to adapt the nature of the product/service and/or production/service delivery process to meet economic, social or environmental standards. Yes No
- Other impacts, including on business entry and exit; competition and competitiveness? Yes No
- Discourage entrepreneurship or innovation? Yes No
- Impacts of any proposed exemption thresholds on business growth? Yes No
- Impacts on SME population composition and location? Yes No
- Additional reporting requirements? Yes No

4. Assessment of alternative options and mitigating measures

4a. If the analysis above has shown that the proposed policy changes will result in negative impacts on SMEs, has there been consideration of any measures to mitigate against these impacts.

Examples of mitigating measures include

- Exemption for certain SME cohorts (e.g. micros);
- Simplification of administrative procedures and use of plain English;
- Reduction of information requirements;
- Less onerous or less frequent inspection regimes for small businesses;
- Provision of longer transitions periods for SMEs so that they can have more time to allocate resources when dealing with policies;
- Lower administrative fees;
- Access to financing or lower interest rates in order to comply;
- Training and assistance with compliance;
- Requirement for SMEs to have only to register for a certain activity rather than having to be fully licensed;
- One-stop shops.

Yes No

Please provide details.

The public consultation provided insights from employers across SMEs, their representatives, alongside those of large enterprises. A primary concern raised regarding the 2023 Roadmap was the rate of increase. In recognition of this and the current economic landscape, these revised adjustments to minimum annual remuneration allow for a more gradual rate of increase to employment permit minimum salaries. This allows for the working condition and competitiveness gains of the original 2023 Roadmap, while mitigating the level of disruption to SMEs.

This mitigation is particularly evident in the employment of Health Care Assistants, Home Carers, and Care workers, the majority of which are employed by SMEs. The sub-standard MAR threshold in place for these roles was due to be phased out by 2026. By instead phasing this out to 2030, the more gradual realignment provides a greater timeline for adapting to increasing salary rates. More generally, the reduced rate of increase to the general MAR thresholds provides this across all enterprises, including SMEs.

5. Post-completion of SME Test

5a: Have you noted the outcome of the SME Test identifying the impacts and provision for mitigating measures, under the Impacts section of the Memorandum for Government proposing the policy changes?

Yes No

5b: Have you made this form available publicly on your Department website?

Yes No

If not, please give reason why².

² It is expected that all completed Tests will be published. Redactions may be made to sensitive material. Very robust reasons must be provided if not publishing.