

Electronic identification of people employed on construction sites (1/39/17)

Section 111 of the Taxes and Duties Act as amended on 1 July 2017 requires that any person employed on a construction site should be identified using an individually tailored device or IT solution that ensures personal identification and registration of hours worked in an electronic time record system and storage in an accounting database.

Such a system should be provided to any person that is employed on a construction site and to any person that is present on a fenced construction site but is not employed in construction work on that site and is not considered "person employed on construction site." The e-ID solution requirement does not apply to persons representing law enforcement agencies, controlling institutions, or emergency services.

Data records

Companies are required under section 113 of the Taxes and Duties Act to maintain a single electronic time record database to register data about any person employed on a construction site:

- their first name and last name, and personal identity number;
- their position;
- the employer's name (or first name and last name if the employer is an individual), registration number, the number of the construction permit (or the cadastral designation of the property if a construction permit has not been issued);
- the time they arrived at the construction site and the time they left;
- the actual time record data displayed as total daily hours, aggregated for each person employed on the construction site in a calendar month;

and about any person that is present on a construction site but is not employed in construction work on that site:

- their first name and last name;
- their personal identity number (or their birth date, month and year if a person does not have a personal identity number);
- the time they arrived at the construction site and the time they left;
- the length of time the person spent on the construction site displayed as total daily hours.

The main builder should ensure that the data entered and accumulated in the electronic time record system is stored and passed to controlling institutions.

Data submission

The data entered and accumulated in the electronic time record system (other than data entered and accumulated about a person that is present on the construction site but is not employed in construction work) should be submitted to the single electronic time record database in a structured manner monthly by the 15th day of the following month.

The holder of the single electronic time record database should ensure that the data submitted by the

main builder is accumulated, stored, released and made accessible online to controlling institutions within three years after the time record data about persons employed on the construction site was entered in the electronic time record system. The data should be deleted from the single electronic time record database on expiry of this time limit.

The State Revenue Service (SRS)

The data entered in the electronic time record system is used by the SRS for administering personal income tax, mandatory national social insurance contributions and microbusiness tax, and can be used by the National Labour Office and other supervisory agencies.

The data entered in the electronic time record system about hours worked by a person employed on a construction site in a calendar month is allowed to deviate by 10% from the actually recorded hours used for computing wages. If the data entered in the electronic time record system is found to deviate by more than 10%, the SRS can use the data entered in the electronic time record system for measuring the understated income subject to taxes and duties.

Implementation

This requirement is to take full effect on 1 October 2019, but some of the rules will be phased in earlier. For example, the transition rules provide that electronic time records on a construction site should be implemented from 1 October 2017 for the construction of new class 3 buildings and for construction work costing €1 million or more if the construction permit provides for construction work to be completed on or after 1 June 2018.