

Employee Turnover Rises in 2025

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In 2025 average voluntary staff turnover reported by employers in the Republic of Ireland increased to 10.8% from 9.3% reported in 2024, according to Performance Reward Consulting's (PRC's) latest all Ireland employer survey. Patrick Robertson, Managing Director of PRC said "in the same period, average employee turnover in the North decreased from 8.0% to 6.1% reflecting significant differences in the economic conditions on both sides of the border". The Republic of Ireland with higher levels of economic growth and a budget surplus would appear to have experienced greater levels of employee movement over the past year, placing retention pressure and significant cost on employers across the Republic.

The all-Ireland survey included 172 organisations, across market sectors, covering 179,855 employees.

In the survey 85% of organisations Republic of Ireland employers are expecting their employee turnover to stay the same (71%) or to increase (14%) in 2026.

The latest figures from the PRC survey indicate that employers across Ireland have been experiencing difficulty holding onto talented employees. In response to this, over 90% of the survey respondents are forecasting an increase in pay for some or all of their employees, typically an increase of around 3.0% to 3.5% of salary reported in the survey.

Robertson said "from our latest survey it would appear that many Irish employers are still not using the Revenue Small Benefit Tax Exemption, despite the benefit level under this exemption increasing this year. In the Survey 28% of respondents reported that they did not use the exemption which, from 1 January 2025, increased to allow employers to provide up to €1,500 per year (tax free) in small non cash benefits". Under this exemption small benefits can be provided through a non cash gift for example a digital card or gift voucher which can be used only to purchase goods or services. From January 2025, this increased and can now be provided in up to 5 benefits a year, with a combined total of €1,500 (tax free). In the latest PRC survey, the average total annual benefit provided by employers under the exemption was €627 per employee, far short of the Revenue's new €1,500 annual limit".

With Christmas approaching and employee turnover levels increasing over the year, Mr Robertson recommends that employers consider maximising this exemption. He said "the exemption can be used to fund Christmas gifts, spot awards, or even service related (non cash) awards, encouraging staff retention. Given the tax efficiency of the exemption it is something Irish employers really should consider, especially as unused allowance amounts under the exemption cannot be carried over".

Robertson noted "in a bid to retain staff, many Irish based organisations are reviewing their benefits programmes including changes to healthcare, pensions and annual leave".

To boost employee retention Irish employers are often using annual leave provisions as a retention mechanism, often now with service related increases to basic annual leave. In the latest PRC survey the median starting annual leave in Ireland increased to 23 days leave in 2025, from 22 days leave reported in 2024.

Mr Robertson said "it is clear that employee retention will remain high on Irish employer's radar over the coming year, however a range of measures can be taken to help reduce this. The Small Benefit Tax Exemption is something Irish employers can easily use to promote a positive environment where employees feel valued."

Note to Editors

Performance Reward Consulting's *Reward Planning for 2026 Survey* covered a range of HR and reward related topics. The survey was sent to HR Leaders, CEOs and business executives and collected in late October 2025. 172 organisations across the Island of Ireland participated in the survey. The median Irish headcount across participating organisations was 349 employees with an average headcount of 1,046 employees. The combined 2025 Irish employment from the participating organisations was 179,855 employees. The survey was conducted on a cross industry, all-island basis. Further participant information, including a sector breakdown, is attached.

About Performance Reward Consulting

Performance Reward Consulting is a boutique reward consultancy focusing on the Irish market. From advising on reward levels and appropriate reward strategies to support business plan goals, to designing performance-based incentives that motivate employees, they tailor their reward solutions to each client's commercial strategy and unique business environment. For more information visit <https://www.performancerewardconsulting.com/>

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