

# Advance Notice for 2022

## PRSI changes announced in Budget 2022



An Roinn Coimirce Sóisialaí  
Department of Social Protection

### Employee PRSI

- There are no changes in employee rates of PRSI.
- There is no change to the employee PRSI Credit.

### Self-employed Payments

- There are no changes to the rate of self-employed PRSI or in the minimum/flat rate self-employed PRSI payments.

### Employer PRSI

- In line with the increase in the National Minimum Wage the upper threshold for paying the 8.8% Class A rate of employer PRSI is being increased from €398 to €410 from the 1<sup>st</sup> January 2022.

### Other PRSI Classes

- There are no changes to other PRSI Classes.

### Employment Wage Subsidy Scheme

- A reduced rate of employer's PRSI of 0.5% is charged on wages paid which are eligible for the Employment Wage Subsidy Scheme. The reduced rate will no longer apply after 28 February 2022.
- Further information on the Employment Wage Subsidy Scheme can be found at: <https://www.revenue.ie/en/employing-people/ewss/index.aspx>

## Income bands and subclasses

Subclasses	AO	A8, BO, CO, DO and HO
Weekly	€38 to €352	up to and including €352
Fortnightly	€76 to €704 *	up to and including €704
Monthly	€165 to €1,525 *	up to and including €1,525

\* This threshold only applies to Class A employees, whose total earnings/income, including if appropriate share-based remuneration, in each week of the fortnight or month are at least €38.

Subclass	AX (PRSI credit applies)
Weekly	€352.01 to €410
Fortnightly	€704.01 to €820
Monthly	€1,525.01 to €1,777

Subclass	AL (PRSI credit applies)
Weekly	€410.01 to €424
Fortnightly	€820.01 to €848
Monthly	€1,777.01 to €1,837

Subclass	A1
Weekly	more than €424
Fortnightly	more than €848
Monthly	more than €1,837

Subclass	A9 (PRSI credit applies on earnings up to €424)
Weekly	more than €352
Fortnightly	more than €704
Monthly	more than €1,525

Subclass	HX (PRSI credit applies)
Weekly	€352.01 to €424
Fortnightly	€704.01 to €848
Monthly	€1,525.01 to €1,837

Subclasses	BX, CX and DX	JO, M and SO
Weekly	€352.01 to €500	up to and including €500
Fortnightly	€704.01 to €1,000	up to and including €1,000
Monthly	€1,525.01 to €2,167	up to and including €2,167

Subclass	K1
Weekly	more than €100
Fortnightly	more than €200
Monthly	more than €433

## PRSI contribution rates from 1 January 2022

Non-cumulative weekly income band	PRSI Subclass	How much of weekly income	Employee %	Employer %	Employee & Employer %
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### Private and some public sector employments

Up to €37.99	JO	All	0	0.50	0.50
€38 - €352	AO	All	0	8.80	8.80
€352.01 - €410	AX	All	4.00	8.80	12.80
€410.01 - €424	AL	All	4.00	11.05	15.05
More than €424	A1	All	4.00	11.05	15.05

**A tapered employee credit of €12 per week applies on earnings up to €424.**

Use the following subclasses for Community Employment participants.

Up to and including €352	A8	All	0	0.50	0.50
More than €352	A9	All	4.00	0.50	4.50

**A tapered employee credit of €12 per week applies on earnings up to €424.**

Class E applies to Ministers of the Church of Ireland paid under the Special Collection System

Up to and including €352	EO	All	0	6.87	6.87
More than €352	E1	All	3.33	6.87	10.20

**A tapered employee PRSI Credit of €10 per week applies on earnings up to €412.**

Class J normally relates to people with reckonable earnings of less than €38 a week (from all employments). However, the following employees are insurable at Class J, regardless of earnings: employees aged 66 or over and people in subsidiary employment.

Up to and including €500	JO	All	0	0.50	0.50
More than €500	J1	All	0	0.50	0.50
Certain Solas training allowances	J9	All	0	0.50	0.50

### Office Holders

Up to and including €100	M	All	0	0	0
More than €100	K1	All	4.00	0	4.00

Class M relates to people with a nil contribution liability (such as employees under age 16 or people of pensionable age or persons in receipt of occupational pensions on the occupational pensions only), and Office Holders earning €100 per week or less.

### Occupational Pensions

All income	<b>M</b>	All	0	0	0
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### PRSI contribution rates from 1 January 2022

Non-cumulative weekly income band	PRSI Subclass	How much of weekly income	EmThaployee %	Employer %	Employee & Employer %
<b>Public sector employments</b>					
Up to and including €352	<b>BO</b>	All	0	2.01	2.01
€352.01 - €500	<b>BX</b>	All	0.90	2.01	2.91
More than €500	<b>B1</b>	Up to and including €1,443	0.90	2.01	2.91
		Balance	4.00	2.01	6.01

Up to and including €352	<b>CO</b>	All	0	1.85	1.85
€352.01 - €500	<b>CX</b>	All	0.90	1.85	2.75
More than €500	<b>C1</b>	Up to and including €1,443	0.90	1.85	2.75
		Balance	4.00	1.85	5.85

Up to and including €352	<b>DO</b>	All	0	2.35	2.35
€352.01 - €500	<b>DX</b>	All	0.90	2.35	3.25
More than €500	<b>D1</b>	Up to and including €1,443	0.90	2.35	3.25
		Balance	4.00	2.35	6.35

Up to and including €352	<b>HO</b>	All	0	10.35	10.35
€352.01 - €424	<b>HX</b>	All	3.90	10.35	14.25
More than €424	<b>H1</b>	All	3.90	10.35	14.25

PRSI Credit applies to sub-class HX.

**Self-employed (on PAYE system only)**

Up to €500	SO	All	4.00	0	4.00
More than €500	S1	All	4.00	0	4.00

## Important points to note

- Under Classes A and H, employers pay a combined PRSI charge and contribution to the National Training Fund Levy (NTFL). The current NTFL contribution for both Class A and Class H employers is 1%. The balance of the employer charge is PRSI.
- For Class A and Class H employees with gross earnings between €352.01 and €424, the amount of the PRSI charge at 4% is reduced by the tapered weekly PRSI Credit.
- There is no annual earnings ceiling for PRSI for employees.
- There is no PRSI relief on pension contributions made by private sector employees.
- PRSI relief on pension contributions paid by private sector employers remains unchanged.
- Civil and public servants pay PRSI on the Additional Superannuation Contribution.
- Civil and public service employers do not have to pay any employer PRSI on the Additional Superannuation Contribution.
- Employer and employee PRSI should be added together as normal. If a different subclass applies to the employee and to the employer, the return must always be made at the employee's subclass.
- Class A employees earning between €38 and €352 inclusive a week should be recorded under Subclass AO.
- Class A employees earning between €352.01 and €410 a week should be recorded under Subclass AX and the tapered PRSI credit applied.
- Class A employees earning between €410.01 and €424 a week should be recorded under Subclass AL and the tapered PRSI credit applied.
- For earnings of more than €424 a week, subclass A1 and H1, as appropriate, should be returned.
- For earnings of more than €500 a week, subclasses B1, C1, D1, J1 and S1, as appropriate, should be returned.
- Community Employment participants earning €352 or less a week should be recorded under Subclass A8. Subclass A9 applies when earnings are more than €352 a week. The PRSI Credit applies to Class A9 for earnings up to €424.
- The Class J contribution normally relates to people with reckonable earnings of less than €38 a week (from all employments). However, a small number of employees are insurable at Class J, regardless of earnings - for example, employees over age 66 and people in subsidiary employment.
- For participants in the JobsPlus scheme the appropriate rates of PRSI apply to both the employer and the employee.

You can download PRSI information booklets from our website at [www.gov.ie](http://www.gov.ie).

## Calculation of the Class A PRSI Credit

- Class A employee PRSI is calculated at 4% of gross weekly earnings.
- For gross earnings between €352.01 and €424 in a week, the 4% PRSI charge is reduced by the PRSI Credit.
- The amount of the PRSI Credit depends on an employee's gross weekly earnings.
- At gross weekly earnings of €352.01, the maximum PRSI Credit of €12.00 per week applies.
- For earnings between €352.01 and €424 (sub-classes AX and AL), the maximum weekly PRSI Credit of €12.00 is reduced by one-sixth of earnings in excess of €352.01.
- The following example shows how to calculate the PRSI Credit and the new PRSI charge, for gross weekly earnings of €377.

### PRSI Credit:

Maximum PRSI Credit	€12.00
One-sixth of earnings in excess of €352.01 (377.00 - 352.01 = 24.99 / 6)	(€ 4.17)
Reduced PRSI Credit	€ 7.83
PRSI @ 4%	€15.08
Less: Reduced PRSI Credit	€ 7.83
<b>2022 weekly PRSI Charge</b>	<b>€ 7.25</b>

**Note:** The calculation of the PRSI charge, and accordingly the PRSI Credit is based on weekly earnings.

**This advance notice of PRSI changes for computer users is available on the website at [www.gov.ie](http://www.gov.ie)**

The information in this leaflet is correct at the time of publication.

This leaflet is intended as a guide only and is not a legal interpretation.

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