



# Pay Related Social Insurance (PRSI)

## 2024 Contribution Rates and User Guide

August 2024 (Revised)



An Roinn Coimirce Sóisialaí  
Department of Social Protection

# Contents

Introduction . . . . .	1
PRSI Contribution Classes . . . . .	1
Pay Related Social Insurance (PRSI) Credit . . . . .	1
How to calculate the PRSI Charge for Classes A and H . . . . .	2
PRSI Calculations . . . . .	3
PRSI Classes . . . . .	4
Class A . . . . .	4
Class B . . . . .	6
Class C . . . . .	7
Class D . . . . .	8
Class E . . . . .	9
Class H . . . . .	10
Class J . . . . .	11
Class K . . . . .	12
Class M . . . . .	13
Class P . . . . .	14
Class S . . . . .	15
Earnings bands and subclasses . . . . .	16
Summary of PRSI Classes. . . . .	18
Important information . . . . .	19
Pensions reminder . . . . .	23
For more information . . . . .	24

# Introduction

Pay Related Social Insurance (PRSI) contributions are paid into the Social Insurance Fund (SIF) which helps pay for benefits and pensions.

Most employers and employees, aged between 16 years and the pension age (which is currently 66) or, in the case of a person born on or after 1 January 1958 and aged between 66 and 70 years and has not been awarded the State Pension (Contributory), pay PRSI contributions into the SIF.

Self-employed contributors, including certain company directors, members of a local authority and certain people with income from investments or rents are also liable for PRSI.

In general, the payment of PRSI is compulsory. The term 'insurable employment' is used to describe employment that is liable for PRSI contributions. Some people who have unearned income are also liable for PRSI on that income.

## PRSI Contribution Classes

PRSI contributions are divided into different categories, known as 'PRSI classes'. This determines the rate of PRSI you are liable to pay, or your 'rate of contribution'.

The class and rate of contribution you pay is determined by the nature of your employment and your weekly earnings.

The class of PRSI you pay determines the social welfare benefits for which you may qualify. The range of benefits includes for example the State Pension Contributory, Jobseeker's Benefit and Illness Benefit. An entitlement to a benefit is dependent on a person meeting specific criteria.

Further details of PRSI classes, rates of contribution and benefits payable can be found at [gov.ie/prsi](http://gov.ie/prsi).

## Pay Related Social Insurance (PRSI) Credit

### Employees:

A tapering PRSI Credit exists for Class A and Class H employees earning between €352.01 and €424 a week. The PRSI Credit reduces the amount of PRSI charged a week.

The amount of PRSI Credit depends on gross weekly earnings. At gross weekly earnings of €352.01 the maximum PRSI Credit of €12 per week applies. For earnings between €352.01 and €424, the maximum weekly PRSI Credit of €12 is reduced by one sixth of earnings in excess of

€352.01. Once earnings exceed €424 the PRSI credit no longer applies.

## How to calculate the PRSI charge

### Classes A and H

- Class A employee PRSI is calculated at 4% until 30 September 2024 (4.1% from 1 October 2024) of gross weekly earnings.
- Class H PRSI is calculated at 3.9% until 30 September 2024 (4% from 1 October 2024) of gross weekly earnings.
- For gross earnings between €352.01 and €424 a week, the employee PRSI charge is reduced by the PRSI Credit.
- The amount of the PRSI Credit depends on your gross weekly earnings.
- At gross weekly earnings of €352.01, the maximum PRSI Credit of €12 a week applies.
- For earnings between €352.01 and €424, sub-class AX, the maximum weekly PRSI Credit of €12 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)	<u>(€4.17)</u>
Reduced PRSI Credit	€7.83
Calculate the PRSI at 4%*	€15.08
Deduct the reduced PRSI Credit on €377 from the 4%* PRSI Charge	€7.83
<b>2024 Weekly PRSI Charge</b>	<b>€7.25</b>

To calculate the PRSI Charge for Class H, follow the steps above replacing 4%\* with 3.9%\*\*

\* 4% until 30 September 2024 (4.1% from 1 October 2024)

\*\* 3.9% until 30 September 2024 (4% from 1 October 2024)

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

# PRSI Calculations

For illustrative purposes only, the following table sets out the PRSI charge for Class A employees at €5 intervals for gross weekly earnings between €352.01 and €424.

**Class A PRSI charge for gross earnings between €352.01 and €424.**

	Calculate PRSI Credit				PRSI at 4%*	PRSI charge
Gross weekly earnings	Gross earnings in excess of €352.01	One-sixth of gross earnings in excess of €352.01	Maximum PRSI Credit	PRSI Credit	Class A PRSI at 4%*	PRSI charge (4%* charge minus PRSI Credit)
	A	B (A divided by 6)	C	D (C minus B)	E	(E minus D)
(€)	(€)	(€)	(€)	(€)	(€)	(€)
352.01	0.00	0.00	12.00	12.00	14.08	2.08
355.00	2.99	0.50	12.00	11.50	14.20	2.70
360.00	7.99	1.33	12.00	10.67	14.40	3.73
365.00	12.99	2.17	12.00	9.84	14.60	4.77
370.00	17.99	3.00	12.00	9.00	14.80	5.80
375.00	22.99	3.83	12.00	8.17	15.00	6.83
380.00	27.99	4.67	12.00	7.34	15.20	7.87
385.00	32.99	5.50	12.00	6.50	15.40	8.90
390.00	37.99	6.33	12.00	5.67	15.60	9.93
395.00	42.99	7.17	12.00	4.84	15.80	10.97
400.00	47.99	8.00	12.00	4.00	16.00	12.00
405.00	52.99	8.83	12.00	3.17	16.20	13.03
410.00	57.99	9.67	12.00	2.34	16.40	14.07
415.00	62.99	10.50	12.00	1.50	16.60	15.10
420.00	67.99	11.33	12.00	0.67	16.80	16.13
424.00	71.99	12.00	12.00	0.00	16.96	16.96

\* 4% until 30 September 2024 (4.1% from 1 October 2024).

# PRSI Calculations

## Class A

This covers persons aged between 16 years and the pension age which is currently 66, or in the case of a person born on or after 1 January 1958 who is aged between 66 and 70 years and has not been awarded the State Pension (Contributory) in industrial, commercial or service-type employments who are employed under a contract of service who have reckonable pay of €38 or more a week from all employments as well as public and civil servants recruited from 6 April 1995.

Weekly pay is an employee's pay plus notional pay (if applicable).

## Private and public sector employments

Until 30 September 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>AO</b>	€38 - €352	All	Nil	8.80%
<b>AX</b>	€352.01 - €424	All	4.00%	8.80%
<b>AL</b>	€424.01 - €441	All	4.00%	8.80%
<b>A1</b>	More than €441	All	4.00%	11.05%

Continued on the next page.

## From 1 October 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>AO</b>	€38 - €352	All	Nil	8.90%
<b>AX</b>	€352.01 - €424	All	4.10%	8.90%
<b>AL</b>	€424.01 - €496	All	4.10%	8.90%
<b>A1</b>	More than €496	All	4.10%	11.15%

Share-based remuneration may in certain circumstances be subject to employee's PRSI. Employer's PRSI is not chargeable on share-based remuneration.

PRSI Credit applies to sub-class AX.

## Community Employment participants

### Until 30 September 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>AO</b>	€38 - €352	All	Nil	0.50%
<b>AX</b>	€352.01 - €424	All	4.00%	0.50%

Continued on the next page.

From 1 October 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>AO</b>	Up to €352 inclusive	All	Nil	0.60%
<b>AX</b>	More than €352	All	4.10%	0.60%

PRSI Credit applies on earnings up to €424.

## Public sector employments

### Class B

This covers permanent and pensionable civil servants, registered doctors and dentists employed in the civil service and Gardaí recruited prior to 6 April 1995.

Until 30 September 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>BO</b>	Up to €352	All	Nil	2.01%
<b>BX</b>	€352.01 - €500	All	0.90%	2.01%
<b>B1</b>	More than €500	First €1443	0.90%	2.01%
		Balance	4.00%	2.01%

Continued on the next page.



## From 1 October 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>BO</b>	Up to €352	All	Nil	2.11%
<b>BX</b>	€352.01 - €500	All	1.00%	2.11%
<b>B1</b>	More than €500	First €1443	1.00%	2.11%
		Balance	4.10%	2.11%

## Class C

This covers commissioned officers of the Defence Forces and members of the Army Nursing Service recruited before 6 April 1995.

## Until 30 September 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>CO</b>	Up to €352	All	Nil	1.85%
<b>CX</b>	€352.01 - €500	All	0.90%	1.85%
<b>C1</b>	More than €500	First €1443	0.90%	1.85%
		Balance	4.00%	1.85%

Continued on the next page.

## From 1 October 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>CO</b>	Up to €352	All	Nil	1.95%
<b>CX</b>	€352.01 - €500	All	1.00%	1.95%
<b>C1</b>	More than €500	First €1443	1.00%	1.95%
		Balance	4.10%	1.95%

## Class D

This covers permanent and pensionable employees in the public service, other than those mentioned in Classes B and C, recruited before 6 April 1995.

## Until 30 September 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>DO</b>	Up to €352	All	Nil	2.35%
<b>DX</b>	€352.01 - €500	All	0.90%	2.35%
<b>D1</b>	More than €500	First €1443	0.90%	2.35%
		Balance	4.00%	2.35%

Continued on the next page.

From 1 October 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>DO</b>	Up to €352	All	Nil	2.45%
<b>DX</b>	€352.01 - €500	All	1.00%	2.45%
<b>D1</b>	More than €500	First €1443	1.00%	2.45%
		Balance	4.10%	2.45%

## Private sector employments

### Class E

This relates to Ministers of Religion employed by the Church of Ireland Representative body. PRSI is paid under the Social collection System of the Department of Social Protection.

Until 30 September 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>EO</b>	Up to €352	All	Nil	6.87%
<b>E1</b>	More than €352*	All	3.33%	6.87%

\* A tapered employee PRSI credit of €10 a week applies on earnings of up to €412.

Continued on the next page.

From 1 October 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>EO</b>	Up to €352	All	Nil	6.97%
<b>E1</b>	More than €352*	All	3.43%	6.97%

\* A tapered employee PRSI credit of €10 a week applies on earnings of up to €412.

## Public sector employments

### Class H

This covers NCOs and enlisted personnel of the Defence Forces.

Until 30 September 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>HO</b>	Up to €352	All	Nil	10.35%
<b>HX*</b>	€352.01 - €424	All	3.90%	10.35%
<b>H1</b>	More than €424	All	3.90%	10.35%

\* A tapered employee PRSI credit applies to subclass HX.

Continued on the next page.

From 1 October 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>HO</b>	Up to €352	All	Nil	10.45%
<b>HX*</b>	€352.01 - €424	All	4.00%	10.45%
<b>H1</b>	More than €424	All	4.00%	10.45%

\* A tapered employee PRSI credit applies to subclass HX.

## Private sector employments

### Class J

This relates to most people with reckonable pay of less than €38 a week from all employments. However, a small number of employees are insurable at Class J no matter how much they earn.

Until 30 September 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>JO</b>	Up to €352	All	Nil	0.50%
<b>J1</b>	More than €500	All	Nil	0.50%

Share-based remuneration may, in certain circumstances, be subject to employee PRSI. Employer's PRSI is not chargeable on share-based remuneration.

Continued on the next page.

## From 1 October 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>JO</b>	Up to €352	All	Nil	0.60%
<b>J1</b>	More than €500	All	Nil	0.60%

Share-based remuneration may, in certain circumstances, be subject to employee PRSI. Employer's PRSI is not chargeable on share-based remuneration.

## Class K

**K1:** Certain public office holders pay PRSI at a rate of 4% until 30 September 2024 (4.1% from 1 October 2024), where their income is over €5,200 a year. They should be returned at Class K. Public office holders with weekly income of €100 or less should be returned at Class M.

**K9:** Modified rate contributors, for example civil and public servants recruited prior to 6 April 1995, with self-employed earned income from a profession or a trade and any other unearned income are liable to PRSI at Class K on that income. Employed contributors and occupational pensioners, under pensionable age, currently 66 years, whose only additional income is unearned income may be liable to PRSI on such income at Class K.

## Until 30 September 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>Record under Class M</b>	Up to €100	All	Nil	Nil
<b>K1/K9</b>	More than €100	All	4.00%	Nil

Continued on the next page.

## From 1 October 2024:

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
Record under Class M	Up to €100	All	Nil	Nil
<b>K1/K9*</b>	More than €100	All	4.10%	Nil

\* For those returning PRSI through the Revenue self-assessed system, a blended or proportionate rate of 4.025% or minimum payment of €537.50 will apply on 2024 self-employed annual income due to the change of rate during the year (from 1 October 2024).

## Class M

Class M relates to people with a nil contribution liability.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
<b>M</b>	All income	All	Nil	Nil

## Fishermen and Fisherwomen

### Class P

This relates to share fishermen and fisherwomen who are classified as self-employed and who already pay PRSI under Class S. Class P is an optional contribution and gives access to limited jobseeker's benefit, limited illness benefit and treatment benefit. The contribution is over and above the PRSI paid under Class S. The minimum annual contribution for Class P is €200 or 4% until 30 September 2024 (4.1% from 1 October 2024) of all income in excess of €2500, whichever is the greater amount.

#### Until 30 September 2024:

Subclass	How much of annual pay	All income
<b>P</b> (optional)	First €2,500 a year	Nil
	More than €2,500 a year	4.00%

#### From 1 October 2024:

Subclass	How much of annual pay	All income
<b>P</b> (optional)	First €2,500 a year	Nil
	More than €2,500 a year	4.10%

**Note:** For those returning PRSI through the Revenue self-assessed system, a blended or proportionate rate of 4.025% or minimum payment of €537.50 will apply on 2024 self-employed annual income due to the change of rate during the year (from 1 October 2024).



## Self-Employed

### Class S

This relates to self-employed people, including certain company directors, certain people with income from investments, rent and certain local authority members. The minimum annual contribution for Class S is €500 until 30 September 2024 (€650 from 1 October 2024).

#### Until 30 September 2024:

Subclass	Weekly pay band	How much of weekly pay	All income from self-employment
<b>SO</b>	Up to €500	All	4.00%
<b>S1</b>	More than €500	All	4.00%

#### From 1 October 2024:

Subclass	Weekly pay band	How much of weekly pay	All income from self-employment
<b>SO</b>	Up to €500	All	4.10%
<b>S1</b>	More than €500	All	4.10%

**Note:** For those returning PRSI through the Revenue self-assessed system, a blended or proportionate rate of 4.025% or minimum payment of €537.50 will apply on 2024 self-employed annual income due to the change of rate during the year (from 1 October 2024).

# Earnings bands and subclasses

Subclass	Weekly pay band	Fortnightly pay band	Monthly pay band
<b>AO</b>	€38 to €352	€76* to €704	€165* to €1,525
<b>AX**</b>	€352.01 to €424	€704.01 to €848	€1,525.01 to €1,837
<b>AL***</b>	€424.01 to €441	€848.01 to €882	€1,837.01 to €1,911
<b>A1***</b>	More than €441	More than €882	More than €1,911
<b>A8</b>	Up to €352	Up to €704	Up to €1,525
<b>A9**</b>	More than €352	More than €704	Up to €1,525
<b>BO</b>	Up to €352	Up to €704	Up to €1,525
<b>BX</b>	€352.01 to €500	€704.01 to €1,000	€1,525.01 to €2,167
<b>B1</b>	More than €500	More than €1,000	More than €2,167
<b>CO</b>	Up to €352	Up to €704	Up to €1,525
<b>CX</b>	€352.01 to €500	€704.01 to €1,000	€1,525.01 to €2,167
<b>C1</b>	More than €500	More than €1,000	More than €2,167
<b>DO</b>	Up to €352	Up to €704	Up to €1,525
<b>DX</b>	€352.01 to €500	€704.01 to €1,000	€1,525.01 to €2,167
<b>D1</b>	More than €500	More than €1,000	More than €2,167
<b>EO</b>	Up to €352	Up to €704	Up to €1,525
<b>E1**</b>	€352.01 to €500	More than €704	More than €1,525
<b>HO</b>	Up to €352	Up to €704	Up to €1,525
<b>HX**</b>	€352.01 to €424	€704.01 to €848	€1,525.01 to €1,837
<b>H1</b>	More than €424	More than €848	More than €1,837
<b>JO</b>	Up to €500	Up to €1,000	Up to €2,167
<b>J1</b>	More than €500	More than €1,000	More than €2,167
<b>K1/K9</b>	More than €100	More than €200	More than €433
<b>M</b>	All income	All income	All income
<b>P</b>	More than €48	More than €96	More than €208

Subclass	Weekly pay band	Fortnightly pay band	Monthly pay band
<b>SO</b>	Up to €500	Up to €1,000	Up to €2,167
<b>S1</b>	More than €500	More than €1,000	More than €2,167

\*This threshold only applies to Class A employees whose total earnings in each week of the fortnight or month are at least €38.

\*\*PRSI Credit applies.

**\*\*\*From 1 October 2024:**

Subclass	Weekly pay band	Fortnightly pay band	Monthly pay band
<b>AL</b>	€424.01 to €496	€848.01 to €992	€1,837.01 to €2149
<b>A1</b>	More than €496	More than €992	More than €2,149

**Subclasses A8 and A9** are only used for Community Employment (CE) participants. For further information contact your local Intreo Centre.

# Summary of PRSI Classes

## Class A employment

- The pay or income threshold to determine whether employees pay PRSI at Class A or J remains at €38.
- Employees paid €38 to €352 inclusive in a week should be recorded under subclass AO.
- For gross earnings between €352.01 and €424, the amount of the PRSI charged at 4% until 30 September 2024 (4.1% from 1 October 2024) is reduced by a tapered weekly PRSI Credit. See page 3 for further details.
- Employees paid €352.01 to €424 inclusive in a week should be recorded under subclass AX
- Employees paid €424.01 to €441 until 30 September 2024 (€496 from 1 October 2024) inclusive in a week should be recorded under subclass AL.
- Community Employment and Jobs Initiative supervisors and employees on apprenticeship schemes are insurable at Class A in the normal way.

## Class J employment

The Class J contribution normally relates to people paid less than €38 per week from all employments. However, a small number of employees are insurable at Class J **no matter how much they are paid**.

- Subsidiary employment, which is insurable at Class J regardless of earnings, is defined in legislation.

## Class S - Self-employment

Self-employed people, other than self-employed company directors, must register with the Revenue Commissioners for PRSI purposes. Under the self-assessment system, PRSI is paid to the local tax office together with any other payment due. Self-employed company directors pay their PRSI under the PAYE system.

Self-employed contributors with annual income of €5,000 or over pay Class S PRSI at the rate of 4% until 30 September 2024 (4.1% from 1 October 2024), subject to a minimum payment of €500 until 30 September 2024 (€650 from 1 October 2024).

- For those returning PRSI through the Revenue self-assessed system, a blended or proportionate rate of 4.025% or minimum payment of €537.50 will apply on 2024 self-employed annual income due to the change of rate during the year (from 1 October 2024).

## Class K contributions

Modified rate contributors, for example civil and public servants recruited prior to 6 April 1995, with self-employed earned income from a profession or a trade and any other unearned income are liable to PRSI at Class K on that income. Employed contributors and occupational pensioners, under pensionable age, currently 66 years, whose only additional income is unearned income may be liable to PRSI on such income at Class K.

# Important information

## Components of the PRSI contribution

The Pay Related Social Insurance (PRSI) contribution is made up of a number of different components including:

- Social insurance at the appropriate percentage rate for employees and employers, which varies according to the pay and PRSI Class of the employee and benefits for which they are insured.
- The 1% National Training Fund Levy, included in the employer's contribution in Classes A and H.

## Levels of payment

PRSI contributions will be payable as follows:

- At the appropriate percentage rates for employees on **all** reckonable earnings
- On **all** reckonable pay, the employer's share (social insurance and the 1% National Training Fund Levy in classes A and H) is due.
- Class S, social insurance at 4% until 30 September 2024 (4.1% from 1 October 2024) on **all** reckonable income.

The National Training Fund Levy is included in the contribution rates outlined on pages 5 to 12 where applicable.

## Reckonable pay

PRSI is calculated on the employee's reckonable pay. Reckonable pay is the gross pay plus notional pay or benefit in kind if applicable.

- The net value of share-based remuneration is to be treated as notional pay for the purposes of calculating Employee PRSI only.
- Employee PRSI only is payable on share-based remuneration. There is no Employer PRSI chargeable on gains from share-based remuneration.
- The obligation to deduct and remit PRSI in respect of share-based remuneration generally rests with the employer. Accordingly the PRSI payable should be deducted by the employer through payroll along with other PRSI liabilities and remitted to the Collector-General.

- Different arrangements may apply in the case of PRSI on gains from the exercise of certain share options.

More detailed information on the treatment of share-based remuneration for PRSI purposes is available by visiting [www.gov.ie/prsi](http://www.gov.ie/prsi) and [www.revenue.ie/benefit-in-kind](http://www.revenue.ie/benefit-in-kind).

PRSI is fully chargeable on payments by private sector employees in respect of:

- Superannuation contributions.
- Permanent health benefit schemes, including income continuance schemes.
- Revenue approved schemes established under irrevocable trusts, overseas pension schemes and other Revenue exempt approved schemes.
- Personal Retirement Savings Accounts.
- Deductions in respect of Revenue approved retirement funds.

Civil and Public Service employers do not pay Employer PRSI on the Additional Superannuation Contribution, previously known as the pension levy. Employee PRSI is chargeable.

### PRSI contribution weeks

A contribution week is each successive period of seven days starting on 1 January each year. Week 1 is the period from 1 to 7 January inclusive, week 2 from 8 to 14 January and so on. **For 2024, the contribution week starts on a Monday and ends on a Sunday.**

A contribution at the appropriate class should be awarded to an employee for each contribution week or part of one for which they are in insurable employment.

### Voluntary contributions

Those who are no longer covered by compulsory PRSI, either as an employee or as a self-employed person, and are under pensionable age, currently 66 years, or in the case of those who are aged between 66 and 70 years and have not been awarded the State Pension (Contributory), may opt to become insured on a voluntary basis if they satisfy certain conditions. The amount of a voluntary contribution in any contribution year is calculated as a percentage of reckonable income, subject to a minimum annual payment.

The minimum annual rate for persons who last paid PRSI at Classes A, E or H is €500. The minimum annual rate for persons who last paid PRSI at Classes B, C or D is €250. There is a flat rate of €500 until 30 September 2024 (€650 from 1 October 2024) for persons who last paid PRSI at Class S.

Applications must be made within 60 months from the end of the PRSI contribution year in which a PRSI contribution was last paid or credited. For more information on voluntary contributions, visit [www.gov.ie/volcon](http://www.gov.ie/volcon) or contact:

## **Voluntary Contributions Section**

Client Eligibility Services  
Department of Social Protection  
Social Welfare Services Office  
Cork Road  
Waterford  
X91 EH04

Telephone: **0818 690 690**

If calling from outside of Ireland please call **+353 1 471 5898**.

Email: **VolCons@welfare.ie**.

### **Holiday pay**

If you pay an employee for a period of more than a week, it is important to determine the subclass correctly for each week.

**Example:** An employee receives two weeks holiday pay with a current week's wages. To determine the correct PRSI subclass, calculate the pay for each week and record the contributions accordingly. This arrangement also applies when an employer pays holiday pay when an employee leaves the employment.

### **Sick pay**

Whether your employer pays you or not while you are out sick from work, you should claim Illness Benefit from the first day of your illness. If you get sick pay from your employer, you should ask your employer what administrative arrangements are in place while you are claiming Illness Benefit or Injury Benefit. The claim process allows a person to indicate that payment can issue directly to the employer if this is appropriate.

### **Taxation of Illness Benefit and Jobseeker's Benefit**

Illness Benefit (IB) and Jobseeker's Benefit (JB) are considered as income for tax purposes and are taxed from the first day of payment, with the exception of non-taxable payments for qualified children on IB and JB.

Revenue collect any tax due on these payments by reducing the employee's tax credits and rate bands by the amount of the IB and JB received. These payments are not liable to Universal Social Charge (USC) or PRSI. The employee's USC rate bands will not be amended.

The payments are taxable in real-time. Revenue will collect any tax due on these payments by reducing the employee's tax credits and rate bands by the amount of the payment received and upon return to employment a revised Revenue Payroll Notification (RPN) will issue to employers.

## **Maternity Benefit, Paternity Benefit, Parent's Benefit, Adoptive Benefit and Health and Safety Benefit**

Maternity Benefit, Paternity Benefit, Parent's Benefit, Adoptive Benefit and Health and Safety Benefit payments are taxable in full. These benefits are exempt from USC and PRSI.

Individuals who pay their tax through the PAYE system will, where possible, automatically have their annual tax credits and rate bands reduced by the amount of these payments. Revenue will receive details of the benefit from the Department of Social Protection. Employers will be advised by the Revenue Commissioners of the adjusted tax credits and rate bands through the issue of a revised Revenue Payroll Notification (RPN).

If you have any enquiries about taxation of social welfare benefits, contact **your local tax office** or visit

**[www.revenue.ie/taxation-of-social-welfare-payments.aspx](http://www.revenue.ie/taxation-of-social-welfare-payments.aspx)**.

## **Lump sum payments**

Lump sum payments made to employees when they leave employment are not regarded as reckonable pay for PRSI purposes and should be recorded under Class M. These include redundancy, gratuities and ex-gratia payments.

## **Maintenance payments**

A separated person may claim a refund of PRSI on legally enforceable maintenance payments made to their ex-spouse or partner. The PRSI due will be re-calculated on the reckonable pay or income reduced by the amount of maintenance payment. Any excess PRSI paid will be returned by claiming a refund after year end from the:

### **PRSI Refunds Section**

Department of Social Protection

Gandon House

Amiens Street

Dublin 1

D01 A361

Telephone: **(01) 673 2586**.

## **Personal Public Service (PPS) Number**

If you need assistance in tracing the Personal Public Service (PPS) Number for your employees, please have them contact **Client Identity Services** on **0818 927 999** or **(07) 1 9672616**.



## Recording of contributions

For the year 2013 and subsequent years, the gross pay for each employee should include any taxable benefit (notional pay) received by that employee during the year. In addition, the total amount of taxable benefits in the year for **all** employees should be recorded.

## If you need help

Further information on PRSI Rates is available, including a range of information for employers, on our website at [www.gov.ie/SWrates](http://www.gov.ie/SWrates).

# Pensions reminder

**If you have employees approaching retirement age it is important that they apply on time for their pension: three months prior to reaching pensionable age.**

A person may continue working after age 66 and also get this pension from the Department of Social Protection. An employee in receipt of State Pension (Contributory) or who is aged 70 or over is liable for PRSI Class J.

Self-employed people who pay Class S PRSI contributions can also continue to work and qualify for this payment provided that their social insurance liabilities are in order. People who are liable for Class S PRSI contributions and who are approaching age 66 should check with their local Revenue Office to ensure their tax affairs are in order to avoid delays.

## How to apply

Application forms are available from your local Intreo Centre, Branch Office, any Citizens Information Centre or Post Office.

They are also available to download from our website at [www.gov.ie/spc](http://www.gov.ie/spc).

## Taxation

State Pension (Contributory) is liable to tax and any queries in relation to the taxation of this payment should be made to your local Revenue Office.

## For more information

- Visit [www.gov.ie/dsp](http://www.gov.ie/dsp); or
- Contact your local Intreo Centre, Branch Office or any Citizens Information Centre.

You can find the name and address of your local Intreo Centre or Branch Office by visiting [www.gov.ie/intreocentres](http://www.gov.ie/intreocentres).

Produced by

Customer Service Unit

Department of Social Protection

Áras Mhic Dhiarmada

Store Street

Dublin 1

D01 WY03

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



---

**An Roinn Coimirce Sóisialaí**  
Department of Social Protection