



Department of
Employment Affairs
and Social Protection

PRSI contribution
rates and user
guide from
1 January 2020

2020



An Roinn Gnóthaí Fostaíochta
agus Coimirce Sóisialaí
Department of Employment Affairs
and Social Protection

PRSI Credit

Employees

A tapering PRSI Credit exists for Class A and Class H employees earning between €352.01 and €424.00 in a week. The PRSI Credit reduces the amount of PRSI charged in a week.

The maximum weekly PRSI Credit of €12 applies at earnings at €352.01, to reduce the weekly PRSI charge. As earnings increase the maximum PRSI Credit is reduced by 1/6 of gross earnings in excess of €352.01. Once earnings exceed €424, the PRSI Credit no longer applies.

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 your 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
Calculate the PRSI @ 4%	€15.08
Deduct the reduced PRSI Credit on €377 from the 4% PRSI charge	€7.83
2020 Weekly PRSI Charge	€7.25

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

For illustrative purposes only, the following 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

1. Calculate PRSI Credit					2. PRSI at 4%	3. PRSI charge
Gross weekly earnings (€)	Gross earnings in excess of €352.01 (€)	1/6 th of Gross earnings in excess of €352.01 (€)	Maximum PRSI credit (€)	PRSI credit (€)	Class A PRSI at 4% (€)	PRSI charge (4% charge less PRSI credit) (€)
	A	B (A/6)	C	D (C-B)	E	E - 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

Private and public sector employments

Class A

This covers employees under the age of 66 in industrial, commercial and service-type employment who have reckonable pay of €38 or more per week from all employments as well as public servants recruited from 6 April 1995.

Rates of contribution for January 2020 ONLY

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

Subclass	Weekly pay band*	How much of weekly pay	All income	
			Employee	Employer
AO	€38 - €352 inclusive	All	Nil	8.80%
AX	€352.01 - €386 inclusive	All	4.00%	8.80%
AL	€386.01 - €424 inclusive	All	4.00%	11.05%
A1	More than €424	All	4.00%	11.05%

Share-based remuneration may in certain circumstances be subject to employee PRSI. Employer's PRSI is not chargeable on share-based remuneration. PRSI credit applies to sub-classes AX and AL.

Rates of contribution with effect from 1 February 2020

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

Subclass	Weekly pay band*	How much of weekly pay	All income	
			Employee	Employer
AO	€38 - €352 inclusive	All	Nil	8.80%
AX	€352.01 - €395 inclusive	All	4.00%	8.80%
AL	€395.01 - €424 inclusive	All	4.00%	11.05%
A1	More than €424	All	4.00%	11.05%

Share-based remuneration may in certain circumstances be subject to employee PRSI. Employer's PRSI is not chargeable on share-based remuneration. PRSI credit applies to sub-classes AX and AL.

Community Employment participants only

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
A8	Up to €352 inclusive	All	Nil	0.50%
A9	More than €352	All	4.00%	0.50%

Total PRSI: Calculate the employer and employee deductions separately and then add them together. PRSI credit applies on earnings up to €424.

Public sector employments

Rates of contribution from 1 January 2020

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.

Subclass	Weekly pay band*	How much of weekly pay	All income	
			Employee	Employer
BO	Up to €352 inclusive	All	Nil	2.01%
BX	€352.01 - €500 inclusive	All	0.90%	2.01%
B1	More than €500	First €1,443	0.90%	2.01%
		Balance	4.00%	2.01%

Class C

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

Subclass	Weekly pay band*	How much of weekly pay	All income	
			Employee	Employer
CO	Up to €352 inclusive	All	Nil	1.85%
CX	€352.01 - €500 inclusive	All	0.90%	1.85%
C1	More than €500	First €1,443	0.90%	1.85%
		Balance	4.00%	1.85%

Public sector employments

Rates of contribution from 1 January 2020

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.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
DO	Up to €352 inclusive	All	Nil	2.35%
DX	€352.01 - €500 inclusive	All	0.90%	2.35%
D1	More than €500	First €1,443	0.90%	2.35%
		Balance	4.00%	2.35%

Class H

This covers NCOs and enlisted personnel of the Defence Forces.

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

PRSI credit applies to sub-class HX.

Private sector employments

Class J

This normally relates to people with reckonable pay of less than €38 per week (from all employments). However, a small number of employees are insurable at Class J, no matter how much they earn, such as employees of pensionable age, currently 66 or over, or people in subsidiary employment.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
JO	Up to €500 inclusive	All	Nil	0.50%
J1	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.

Office holders

Rates of contribution from 1 January 2020

Class K

Since 2011, certain public office holders pay PRSI at a rate of 4% on all income, where their income is over €5,200 a year. They should be returned at Class K. These public office holders with weekly income of €100 or less should be returned at Class M. Class K may also apply in other circumstances, see Important Notice for details.

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

Occupational pensions

Class M

Class M relates to people with a nil contribution liability (such as employees under age 16, people of pensionable age, currently 66, (including those previously liable for Class S), persons in receipt of occupational pensions or lump-sum termination payments and public office holders with a weekly income of less than €100 a week).

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
M	All income	All	Nil	Nil

Self-employed

Class S

This covers self-employed people, including certain company directors, certain people with income from investments and rent, and certain local authority members.

Subclass	Weekly pay band	How much of weekly pay	All income from Self-Employment
SO	Up to €500 inclusive	All	4.00%
S1	More than €500	All	4.00%

Earnings bands and subclasses

Rates of contribution for 2020. Class A effective for January 2020 Only
See table below for Class A bands effective from 1 February 2020

Subclass	Weekly pay band	Fortnightly pay band	Monthly pay band
AO	€38 to €352	€76* to €704	€165* to €1,525
AX**	€352.01 to €386	€704.01 to €772	€1,525.01 to €1,673
AL**	€386.01 to €424	€772.01 to €848	€1,673.01 to €1,837
A1	More than €424	More than €848	More than €1,837
A8	Up to €352	Up to €704	Up to €1,525
A9**	More than €352	More than €704	More than €1,525
BO	Up to €352	Up to €704	Up to €1,525
BX	€352.01 to €500	€704.01 to €1,000	€1,525.01 to €2,167
B1	More than €500	More than €1,000	More than €2,167
CO	Up to €352	Up to €704	Up to €1,525
CX	€352.01 to €500	€704.01 to €1,000	€1,525.01 to €2,167
C1	More than €500	More than €1,000	More than €2,167
DO	Up to €352	Up to €704	Up to €1,525
DX	€352.01 to €500	€704.01 to €1,000	€1,525.01 to €2,167
D1	More than €500	More than €1,000	More than €2,167
HO	Up to €352	Up to €704	Up to €1,525
HX**	€352.01 to €424	€704.01 to €848	€1,525.01 to €1,837
H1	More than €424	More than €848	More than €1,837
JO	Up to €500	Up to €1,000	Up to €2,167
J1	More than €500	More than €1,000	More than €2,167
M	All income	All income	All income
K1	More than €100	More than €200	More than €433
SO	Up to €500	Up to €1,000	Up to €2,167
S1	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

Subclasses **A8** and **A9** are only used for CE participants. For further information contact Employment Support Services, telephone: 071 96 72698.

Earnings bands and subclasses

Class A Rates of contribution effective from 1 February 2020

Subclass	Weekly pay band	Fortnightly pay band	Monthly pay band
AO	€38 to €352	€76* to €704	€165* to €1,525
AX**	€352.01 to €395	€704.01 to €790	€1,525.01 to €1,712
AL**	€395.01 to €424	€790.01 to €848	€1,712.01 to €1,837
A1	More than €424	More than €848	More than €1,837
A8	Up to €352	Up to €704	Up to €1,525
A9**	More than €352	More than €704	More than €1,525

* 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

Subclasses A8 and A9 are only used for CE participants. For further information contact Employment Support Services, telephone: 071 96 72698.

Summary of PRSI classes

Class A employment

- The pay/income threshold to determine whether employees pay PRSI at Class A or J remains at €38.
- Employees paid €38 to €352 inclusive in any week should be recorded under subclass AO.
- For gross earnings between €352.01 and €424, the amount of the PRSI charged at 4% is reduced by a tapered weekly PRSI Credit. (See Pages 2 and 3 for details).
- Employees paid €352.01 to €386 inclusive in any week in January **only** should be recorded under subclass AX. The PRSI Credit applies.
- Employees paid €386.01 to €424 inclusive in any week in January **only** should be recorded under subclass AL. The PRSI Credit applies.
- **From 1 February 2020** the €386.01 threshold increases to €395.01 and employees paid €352.01 to €395 inclusive in any week should be recorded under subclass AX. The PRSI Credit applies.
- **From 1 February 2020** the €386.01 threshold increases to €395.01 and Employees paid €395.01 to €424 inclusive in any week should be recorded under subclass AL. The PRSI Credit applies.
- Community Employment 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**, such as employees of pensionable age, currently 66 years or over and people in subsidiary employment.

Subsidiary employments

Subsidiary employment, which is insurable at Class J regardless of earnings, is defined in legislation. It includes, for example, employment of people who are also insurable at Class B, C, D or H in their main employment.

PRSI for the self-employed

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.

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. 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.



Summary of PRSI classes

Minimum/Flat rate Self-employed Payments

- Self-employed contributors with annual self-employed income over €5,000 pay Class S PRSI at the rate of 4%, subject to a minimum payment of €500.
- Those with an annual self-employed income in excess of €5,000 who have been told by an Inspector of Taxes that they need not make a return of income must pay a flat rate PRSI contribution of €310 to the Department of Employment Affairs and Social Protection.
- The flat rate of payment of Voluntary Contributions made by former self-employed contributors is €500.

For more information, contact Client Eligibility Services:

Telephone: (074) 936 4503

LoCall: 1890 690 690

If you are calling from outside the Republic of Ireland please call +353 74 936 4503.

Note: The rates charged for using 1890 (LoCall) numbers may vary among different service providers.

If a person is no longer liable to pay PRSI, they may apply to become a voluntary contributor.

For more information, visit www.gov.ie.



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 he or she is 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 4.00% on **all** reckonable income.

The National Training Fund Levy is included in the contribution rates outlined on pages 4 to 7 where applicable.

Reckonable pay

PRSI is calculated on the employee's reckonable pay. Reckonable pay is the gross money 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 contained at:

www.gov.ie and www.revenue.ie (Revenue - Irish Tax & Customs).

PRSI is fully chargeable on payments by 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
- Revenue approved retirement funds

Civil and Public Service employers do not pay Employer PRSI on the pension levy paid by their employees. 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 2020, the contribution week starts on a Wednesday and ends on a Tuesday.**

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

Voluntary contributions

People who were insured at Classes A, B, C, D, H or S and who are no longer insurably employed may opt to pay Voluntary Contributions to provide cover for pensions.

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, visit www.gov.ie or contact:

Client Eligibility Services,
McCarter's Road,
Ardavin,
Buncrana,
Co. Donegal.
Telephone: (074) 936 4503
LoCall: 1890 690 690

If you are calling from outside the Republic of Ireland please call +353 74 936 4503.

Note: The rates charged for using 1890 (LoCall) numbers may vary among different service providers.

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

Payment of Illness Benefit and Injury Benefit can be made directly to your company where sick pay arrangements require the employee(s) to hand over Illness Benefit or Injury Benefit payments to their employers. The Illness Benefit Claim Form/First Medical Certificate (IB 1) has a section where the employee can indicate that any payment(s) due can issue directly to the employer.

Taxation of Jobseekers and Illness Benefit

Both Illness Benefit and Jobseeker's Benefit are considered as income for tax purposes and are taxed from the first day of payment, with the exception of payments for qualified child(ren) which are not taxable. The Department of Employment Affairs and Social Protection will notify you of the amount of Illness Benefit to be taken into account for tax purposes, where appropriate. Taxation of Jobseeker's Benefit will still be mainly applied through the tax office.

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

Since 1 July 2013 Maternity Benefit, Adoptive Benefit and Health and Safety Benefit payments are taxable in full. Paternity Benefit introduced on 1 September 2016 is also taxable in full. Parent's Benefit introduced on 1 November 2019 is also 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 Employment Affairs and Social Protection. Employers will be advised by the Revenue Commissioners of the adjusted tax credits and rate bands on employer tax credit certificates.

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

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 enforceable maintenance payments made to his or her spouse. The PRSI due will be re-calculated on the reckonable pay/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, Gandon House, Amiens Street, Dublin 1, telephone: (01) 673 2586.

Personal Public Service Number (PPSN)

If you need assistance in tracing the PPSN(s) for your employee(s), please have them contact Client Identity Services, telephone: (01) 704 3281.

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.

Local Authority Members

Since 1 January 2017 local authority members pay PRSI at Class S. This entitles them to the full range of Class S benefits. Local authority members who are modified rate contributors will continue to pay Class K on their local authority income, while those who are of pensionable age, currently 66 or over will not pay a PRSI contribution.

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.

Pensions Reminder

If you have employees approaching retirement age, it is important that they apply on time for a pension: 3 months prior to reaching pensionable age.

A person may continue working after age 66 and also get this pension from the Department of Employment Affairs and Social Protection. On reaching age 66 an employee is liable for PRSI at Class J only.

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 Citizens Information Centre, your local Intreo Centre, your local Social Welfare Branch Office or your local post office, or may also be downloaded from our website at www.gov.ie.

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.

www.gov.ie

Issued by:

Communications and Customer Services
Department of Employment Affairs and
Social Protection
Áras Mhic Dhiarmada
Store Street
Dublin 1

For more information:

- Visit www.gov.ie.
- Drop in to your local Citizens Information Centre, your local Intreo Centre or your local Social Welfare Branch Office.

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