

## Main PRSI changes for 2003

- ▶ The 2003 PAYE/PRSI year starts 1 January, 2003 and ends 31 December, 2003. This notice contains rate changes announced in the December 2002 Budget. These changes are effective from 1 January 2003.
- ▶ The annual earnings ceiling for PRSI has been increased to €40,420 for employees in classes A, B, C, D and H effective from 1 January, 2003.
- ▶ For year 2003, the minimum annual contribution for Class S remains at €253.
- ▶ Since 1 July, 2001 all people aged 70 or over are exempt from the 2% Health Contribution, regardless of whether or not they hold a medical card.

Full details of these changes are outlined inside and should be read carefully.



# PRSI Contribution

## Rates and User Guide

for the period

1st January 2003 to 31st December 2003



# PRIVATE/PUBLIC SECTOR EMPLOYMENTS

## RATES OF CONTRIBUTION FROM 1 JANUARY 2003

### CLASS A

### A0

NON CUMULATIVE		CUMULATIVE EARNINGS CEILINGS		
Weekly Earnings Band	How much of Weekly Earnings		First €40,420	Balance over €40,420
€38-€287 incl.	All	Employer	8.50%	8.50%
	All	Employee	Nil	Nil

### AX

€287.01-€356 incl.	All	Employer	8.50%	8.50%
	First €127 Balance	Employee Employee	Nil 4.00%	Nil Nil

### A1

OR

### A2

For medical card holders, widows/widowers or lone parents. See notes on page 8.

In excess of €356	All	Employer	10.75%	10.75%
	First €127 Balance	Employee Employee	2.00% 6.00%	2.00% 2.00%
In excess of €356	All	Employer	10.75%	10.75%
	First €127 Balance	Employee Employee	Nil 4.00%	Nil Nil

#### PEOPLE WITHIN CLASS A

People in industrial, commercial and service-type employment who are employed under a contract of service with reckonable earnings of €38 or more per week from all employments and Public Servants recruited from 6 April 1995.

## COMMUNITY EMPLOYMENT PARTICIPANTS ONLY

### A8

Up to €287 incl.	Employer	0.50% on full allowance
	Employee	Nil on full allowance

### A9

In excess of €287	Employer	0.50% on full allowance
	Employee	4.00% on allowance over €127

**TOTAL PRSI: The employer and employee deductions should be calculated separately and then added together.**

# PRIVATE SECTOR EMPLOYMENTS

## RATES OF CONTRIBUTION FROM 1 JANUARY 2003

### CLASS J

#### J0

#### J1 OR J2

For medical card holders, people aged 70 or over, widows/widowers or lone parents. See notes on page 8.

NON CUMULATIVE		CUMULATIVE EARNINGS CEILINGS		
Weekly Earnings Band	How much of Weekly Earnings		Up to €40,420	Balance over €40,420
Up to €356	All	Employer	0.50%	0.50%
		Employee	Nil	Nil

In excess of €356	All	Employer	0.50%	0.50%
		Employee	2.00%	2.00%
In excess of €356	All	Employer	0.50%	0.50%
		Employee	Nil	Nil

#### PEOPLE WITHIN CLASS J

The Class J contribution normally relates to people with reckonable earnings of less than €38 per week (from all employments). However, a small number of employees are insurable at Class J irrespective of earnings, e.g. employees aged 66 or over, people in subsidiary employment etc, see page 9.

## OCCUPATIONAL PENSIONS

### CLASS K

Record under Class M

#### K1

NON CUMULATIVE		NO ANNUAL CEILING	
Weekly Income Band	How much of Weekly Income		All Income
Up to €356	All		Nil
In excess of €356	All	ER EE	Nil 2.00%

#### PEOPLE WITHIN CLASS K

People receiving income which is not subject to social insurance contributions but which is liable for the Health Contribution such as, Occupational Pensions, income deriving from positions of certain office holders (e.g. Judiciary and State Solicitors) and income of people aged 66 or over previously liable for Class S.

### CLASS M

#### PEOPLE WITHIN CLASS M

The M Class should be used for people with NIL contribution liability e.g. employees under age 16, people within Class K with a NIL liability (medical card holders, widows/widowers, people aged 70 or over) etc.

## SELF-EMPLOYED

### CLASS S

#### S0

#### S1 OR S2

For medical card holders, widows/widowers or lone parents. See notes on page 8.

NON CUMULATIVE		NO ANNUAL CEILING	
Weekly Income Band	How much of Weekly Income		All Income
Up to €356	All	ER	Nil
		S/E	3.00%
In excess of €356	All	ER	Nil
		S/E	5.00%
In excess of €356	All	ER	Nil
		S/E	3.00%

#### PEOPLE WITHIN CLASS S

Self-employed people including certain company directors and people with income from investments and rents. See page 9.

S/E = Self-employed contributor.

# PUBLIC SECTOR EMPLOYMENTS

## RATES OF CONTRIBUTION FROM 1 JANUARY 2003

**CLASS  
B**

**BO  
BX**

**B1  
OR  
B2**

For medical card holders, widows/widowers or lone parents. See notes on page 8.

Weekly Earnings Band	NON CUMULATIVE		CUMULATIVE EARNINGS CEILINGS	
	How much of Weekly Earnings		First €40,420	Balance over €40,420
Up to €287	All	Employer	2.01%	2.01%
	All	Employee	Nil	Nil
€287.01-€356 incl.	All	Employer	2.01%	2.01%
	First €26 Balance	Employee Employee	Nil .90%	Nil Nil
In excess of €356	All	Employer	2.01%	2.01%
	First €26 Balance	Employee Employee	2.00% 2.90%	2.00% 2.00%
In excess of €356	All	Employer	2.01%	2.01%
	First €26 Balance	Employee Employee	Nil .90%	Nil Nil

### PEOPLE WITHIN CLASS B

Permanent and pensionable Civil Servants recruited prior to 6 April 1995, Registered Doctors and Dentists employed in the Civil Service and Gardai.

**CLASS  
C**

**CO  
CX**

**C1  
OR  
C2**

For medical card holders, widows/widowers or lone parents. See notes on page 8.

Weekly Earnings Band	NON CUMULATIVE		CUMULATIVE EARNINGS CEILINGS	
	How much of Weekly Earnings		First €40,420	Balance over €40,420
Up to €287	All	Employer	1.85%	1.85%
	All	Employee	Nil	Nil
€287.01-€356 incl.	All	Employer	1.85%	1.85%
	First €26 Balance	Employee Employee	Nil .90%	Nil Nil
In excess of €356	All	Employer	1.85%	1.85%
	First €26 Balance	Employee Employee	2.00% 2.90%	2.00% 2.00%
In excess of €356	All	Employer	1.85%	1.85%
	First €26 Balance	Employee Employee	Nil .90%	Nil Nil

### PEOPLE WITHIN CLASS C

Commissioned Army Officers and members of the Army Nursing Service recruited prior to 6 April 1995.

# PUBLIC SECTOR EMPLOYMENTS

## RATES OF CONTRIBUTION FROM 1 JANUARY 2003

**CLASS**  
**D**  
**DO**  
**DX**

**D1**  
**OR**  
**D2**  
For medical card holders, widows/widowers or lone parents. See notes on page 8.

NON CUMULATIVE			CUMULATIVE EARNINGS CEILINGS	
Weekly Earnings Band	How much of Weekly Earnings		First €40,420	Balance over €40,420
Up to €287	All	Employer	2.35%	2.35%
	All	Employee	Nil	Nil
€287.01-€356 incl.	All	Employer	2.35%	2.35%
	First €26 Balance	Employee Employee	Nil .90%	Nil Nil
In excess of €356	All	Employer	2.35%	2.35%
	First €26 Balance	Employee Employee	2.00% 2.90%	2.00% 2.00%
In excess of €356	All	Employer	2.35%	2.35%
	First €26 Balance	Employee Employee	Nil .90%	Nil Nil

### PEOPLE WITHIN CLASS D

Permanent and pensionable employees in the public service, other than those mentioned in Classes B and C, recruited prior to 6 April 1995.

**CLASS**  
**H**  
**HO**  
**HX**

**H1**  
**OR**  
**H2**  
For medical card holders, widows/widowers or lone parents. See notes on page 8.

NON CUMULATIVE			CUMULATIVE EARNINGS CEILINGS	
Weekly Earnings Band	How much of Weekly Earnings		First €40,420	Balance over €40,420
Up to €287	All	Employer	10.05%	10.05%
	All	Employee	Nil	Nil
€287.01-€356 incl.	All	Employer	10.05%	10.05%
	First €127 Balance	Employee Employee	Nil 3.90%	Nil Nil
In excess of €356	All	Employer	10.05%	10.05%
	First €127 Balance	Employee Employee	2.00% 5.90%	2.00% 2.00%
In excess of €356	All	Employer	10.05%	10.05%
	First €127 Balance	Employee Employee	Nil 3.90%	Nil Nil

### PEOPLE WITHIN CLASS H

NCO's and enlisted personnel of the Defence Forces.

# IMPORTANT NOTICE TO EMPLOYERS

## Pensions (Amendment) Act 2002

### NEW REQUIREMENTS FOR EMPLOYERS IN RELATION TO PENSIONS

#### ACCESS FOR EMPLOYEES TO PERSONAL RETIREMENT SAVINGS ACCOUNTS

This Act provides for the introduction of Personal Retirement Savings Accounts (PRSAs) and it is expected that these will be available from financial institutions early in 2003.

Employers who do not currently provide an occupational pension scheme for employees will be required by law to provide access for these employees to at least one Standard PRSA. Where employers operate an occupational pension scheme for employees but; the eligibility for membership of the scheme for retirement benefits does not cover all employees, or employees have to wait more than six months from joining the company to be included in the scheme for retirement benefits, or scheme members are provided with death in service benefits only, they will have to provide access for these employees to at least one Standard PRSA.

The obligation includes the employer entering into a contract with at least one PRSA provider; notifying employees of their right to contribute to a Standard PRSA; allowing PRSA providers reasonable access to employees to conclude a Standard PRSA contract; and, subject to work requirements, allowing employees reasonable paid leave of absence to make arrangements to establish a Standard PRSA. Employers will also be required to facilitate the deduction of contributions from wages and salaries and remit these to the PRSA providers, within 21 days following the month end in which the deduction was made, in respect of at least one Standard PRSA.

It will not be mandatory for either an employee or an employer to contribute to a PRSA.

These requirements are expected to take effect in the middle of 2003 and employers may wish to consult with their advisers in advance. A definite date in this regard will be announced early in 2003.



Department of Social & Family Affairs



## SUMMARY OF PRSI CLASSES

### CLASS A EMPLOYMENT

- The **earnings threshold** to determine whether people employed under a contract of service pay PRSI at Class A or J remains at €38.
- Employees earning between €38 and €287 inclusive in any week should be recorded under Subclass A0.
- Employees earning between €287.01 and €356 inclusive in any week should be recorded under Subclass AX.
- In any week that the earnings exceed €356 it should be recorded under Subclass A1 or A2\*.
- Participants in Community Employment earning €287 or less in any week should be recorded under Subclass A8. In any week that the earnings exceed €287 record under Subclass A9.
- Community Employment supervisors and employees on apprenticeship schemes are insurable at Class A in the normal way.
- The annual earnings ceiling for PRSI has been increased to €40,420 for employees.

### CLASS J EMPLOYMENT

- The Class J contribution normally relates to people with reckonable earnings of less than €38 per week (from all employments). However, a small number of employees are insurable at Class J irrespective of earnings e.g. employees aged 66 or over and people in subsidiary employment (defined on Page 9).

### OTHER CLASSES

- Class B, C, D or H employees earning up to €287 inclusive in any week should be recorded under Subclass B0, C0, D0 or H0.
- Class B, C, D or H employees earning between €287.01 and €356 inclusive, record under Subclass BX, CX, DX or HX.
- People covered under Class J, S or K, earning up to €356 inclusive in any week should be recorded under Subclass 0 i.e. J0, S0 or Class M (for people within Class K) as appropriate.
- Employees/Self-employed (excluding those listed in NOTE below) earnings/income in excess of €356 in any week should be recorded under Subclass 1 (i.e. B1, C1, D1, H1, J1, S1 or K1).
- \*Employees/Self-employed who are exempt from the Health Contribution (see NOTE below) with earnings/income in excess of €356 in any week record under Subclass B2, C2, D2, H2, J2, S2 or Class M (for people within Class K).
- The Class S minimum annual contribution for year 2003 remains at €253.
- The annual earnings ceiling for PRSI has been increased to €40,420 for employees.

\* **NOTE:** Medical Card Holders, people aged 70 and over and recipients of a Social Welfare Widow's/Widower's Pension, One-Parent Family Payment or Deserted Wife's Benefit/Allowance continue to be exempt from the Health Contribution, even where their earnings exceed €356 per week.

### 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 earnings of the employee and benefits for which the person is insured.
- 2.00% Health Contribution, payable by the employee where applicable, goes to the Department of Health and Children towards funding the Health Services.
- 0.70% National Training Fund Levy, included in the employer's contribution in Classes A and H.

### LEVELS OF PAYMENT FOR 2003

PRSI contributions will be payable on the following basis:

- At the appropriate percentage rates for employees on reckonable earnings up to €40,420.
- The employer's share (Social Insurance and the 0.70% National Training Fund Levy in Classes A and H) and the 2.00% (Health Contribution) by the employee where applicable, on **ALL** reckonable earnings in excess of €40,420.
- Class S, Social Insurance at 3% and the 2% Health Contribution (where applicable) on **ALL** reckonable income.
- The Health Contribution and National Training Fund Levy are included in the contribution rates outlined on pages 2 to 5.

## RECKONABLE EARNINGS

PRSI is calculated on the employee's reckonable earnings i.e. **gross pay reduced by Superannuation and Permanent Health Insurance contributions made by the employee**, deducted under a net pay arrangement by the employer, which are **allowable for income tax purposes**.

## PRSI EXEMPTION ON LOW EARNINGS

Employees covered under Classes A, B, C, D and H, with reckonable weekly earnings of not more than €287, continue to be exempt from paying PRSI for that week. However, the employer's share of PRSI remains payable as normal.

## PRSI-FREE ALLOWANCE FOR EMPLOYEES

The PRSI-FREE ALLOWANCE remains at €127 per week (per individual employment) for employees with weekly reckonable earnings in excess of €287 in Classes A and H, and at €26 for all employees in Classes B, C and D. The allowance does not apply to the Health Contribution or the employer's share of PRSI. In other words, in Class A it applies in respect of the calculation of the 4.0% employee Social Insurance deduction, but not to the 2.00% Health Contribution. The allowance is non-cumulative, therefore, it only applies for weeks of insurable employment in which PRSI is payable (see "holiday pay" on page 9). **It is particularly important to remember that this allowance does not alter the gross reckonable weekly earnings threshold which determines the appropriate contribution subclass.**

It is important to note that the method of calculating PRSI outlined on pages 2 to 5 caters for the inclusion of the €127/€26 PRSI-FREE ALLOWANCE.

For employees paid other than weekly, alternatives to the weekly PRSI-FREE ALLOWANCE are:

Weekly	€127	€26
Monthly	€551	€113
Fortnightly	€254	€52

## MEDICAL CARD HOLDERS

### WIDOWERS/WIDOWS/LONE PARENTS

It is the employer's responsibility to establish if employees are medical card holders, are aged 70 or over, are recipients of a Social Welfare Widow's/Widower's Pension, One-Parent Family Payment, Deserted Wife's Benefit/Allowance or a Widow's/Widower's Pension acquired under the social security legislation of a country covered by E.C. Regulations, as if so, they are exempt from the 2.00% Health Contribution irrespective of earnings.

People, in any of the categories listed above, whose earnings/income are in excess of €356 per week fall into Subclass A2, B2, C2, D2, H2, J2, S2 or M (for people within Class K) as appropriate.

Employees with weekly reckonable earnings of €287 or less, fall into Subclass A0, B0, C0, D0 or H0. Those earning between €287.01 and €356 fall into Subclass AX, BX, CX, DX or HX.

For people in classes other than A, B, C, D and H, in any week that reckonable earnings are €356 or less, Subclass J0, S0 or Class M (for people within Class K) will apply.

NOTE: All people aged 70 are entitled to a Medical Card from 1 July 2001. They are considered exempt from payment of the 2% Health Contribution regardless of whether or not they are in possession of a medical card.

## THRESHOLDS FOR PRSI

In general PRSI deductions are decided by the nature of the employment and the amount of the employees reckonable earnings in any week. Therefore, the employee's PRSI Class can vary from week to week if earnings change. The following earnings thresholds determine the appropriate subclass within Class A except where otherwise indicated. For rates tables see pages 2 to 5.

### UP TO €37.99 (FROM ALL EMPLOYMENTS) – J0

Insurable for occupational injuries benefits only, regardless of hours worked.

**Note:** Class J also applies to all employees aged 66 and over and employees in subsidiary employment (see page 9) **irrespective of earnings**.

### €38 TO €287 (INDIVIDUAL EMPLOYMENTS) – A0

The exemption from payment of PRSI applies to **employees in Classes A, B, C, D and H** with earnings of €287 or less and should be recorded under Subclass A0, B0, C0, D0, H0 or A8. The employer's PRSI remains payable as normal.

Alternatives to the €38 to €287 weekly thresholds:

Monthly	€165*	to	€1,244
Fortnightly	€ 76*	to	€ 574

\*This threshold only applies to Subclass A0 employees whose total earnings in each week are at least €38.

**NOTE:** In all other Classes when reckonable weekly earnings/income do not exceed €356 (unchanged exemption limit for payment of the 2% Health Contribution) record under Subclass J0, S0 or Class M (for people within Class K).

### €287.01 TO €356 (INDIVIDUAL EMPLOYMENTS) – AX

The weekly earnings limit up to which **employers** in Class A pay a lower 8.5% rate of PRSI remains at €356. In any week that the employee's earnings fall within this band i.e. €287.01 to €356, record under **Subclass AX**. This earnings band also applies to **Subclasses BX, CX, DX, HX and A9** (with the normal employer rate payable). See **NOTE** above for other classes.

Alternatives to the €287.01 to €356 weekly thresholds:

Monthly	€1,244.01	to	€1,543
Fortnightly	€ 574.01	to	€ 712

### IN EXCESS OF €356 (INDIVIDUAL EMPLOYMENTS) – A1/A2

The weekly earnings limit up to which employees are exempt from paying the 2% Health Contribution remains at €356. Therefore, **people in all classes** who earn €356.01 or more in any week should be recorded under Subclass A1, B1, C1, D1, H1, J1, S1 or K1 as appropriate or Subclass A2, B2, C2, D2, H2, J2, S2 or Class M respectively for widows/widowers etc.

Alternatives to the weekly €356.01 threshold:  
Monthly €1,543.01 Fortnightly €712.01

**Note possible refund:** Where an employee's weekly earnings fluctuate above and below €356, but the cumulative earnings during 2003 do not exceed €18,512, the employee may claim a refund of the 2% Health Contribution deduction from the Collector-General, Customer Services, (PRSI Refunds), Sarsfield House, Francis St., Limerick.

## PRSI CONTRIBUTION WEEKS

A contribution week is each successive period of seven days starting on 1 January each year. Thus, week 1 is the period from 1 to 7 January inclusive, week 2 from 8 to 14 January and so on. **For 2003, the contribution week starts on a Wednesday and ends on a Tuesday.**

A contribution at the appropriate class should be awarded to an employee in respect of each contribution week or part thereof for which s/he receives remuneration.

## HOLIDAY PAY

If you pay an employee for a period greater than a week, the relevant PRSI-free allowance should be applied for each of the weeks involved. It is also important to determine the subclass correctly.

**EXAMPLE:** An employee receives two weeks holiday pay with a current weeks wages – three contributions are awarded, the earnings should be averaged over 3 weeks to determine the correct PRSI subclass, and three weeks PRSI-free allowance (€127 x 3) should be applied. This arrangement also applies where holiday pay is paid on termination of employment.

## LUMP SUM PAYMENTS

Lump sum payments made to employees on termination of employment are not regarded as reckonable earnings for PRSI. These include redundancy, gratuities, ex-gratia and pay in lieu of notice. However, a Class K contribution is payable on the taxable amount. If the lump sum is exempt from tax, it is exempt from PRSI.

## VOLUNTARY CONTRIBUTIONS

People who were insured at Class A, B, C, D, H or S who are no longer liable to, or cease compulsory PRSI may opt to pay Voluntary Contributions to provide cover for Pensions.

Applications must be made within 12 months from the end of the PRSI contribution year in which a PRSI contribution was last paid or credited. For further information contact:

**Voluntary Contribution Section –  
Tel. (051) 356 000 or (01) 704 3000 Extn. 6006/7**

## PRSI FOR THE SELF-EMPLOYED

People whose income is accessible to PAYE income tax but who are held not to be insurable as employees, continue to be insurable at Class S. However, where their reckonable income **from all sources** is less than €3,174 for year 2003, they will not be held to be insurable (see paragraph on Voluntary Contributions). In such cases, Class S should be applied during the year and contributors can apply for a refund of the PRSI paid during that year, after the end of the tax year from:

**Refunds Section – Tel: (01) 704 3000 ext 2069/2250/2190.**

The minimum contribution under Class S is €253 for the year 2003. Where a self-employed person's total PRSI deductions for the year are less than €253, the outstanding balance must be paid to the Department of Social and Family Affairs:

**Directors Unit, Self Employment Section (051) 356027.**

Employers, who are personally liable for PRSI under Class S, are required to register with the Department of Social and Family Affairs. A registration form SE3 is available for this purpose from:

**Self-Employment Section –  
Tel. (051) 356 000 or (01) 704 3000 Extn. 6003 to 6005**

## NATIONAL TRAINING FUND LEVY

The National Training Fund Levy of 0.70% is included in the employer's share of PRSI under Class A and H, **with no change in the overall rate payable by the employers.**

## MAINTENANCE PAYMENTS

From 6 April, 2000, a refund of PRSI on enforceable maintenance payments made by a separated person to his/her spouse is available. The PRSI due will be re-calculated on the reckonable earnings/income reduced by the amount of maintenance payment. Any excess PRSI paid will be returned by claiming a refund after year end, 31 December 2003 from the Collector-General, Customer Services, (PRSI Refunds), Sarsfield House, Francis St., Limerick.

## COMMUNITY EMPLOYMENT SCHEMES

Participants on Community Employment are insurable at Subclass A8 or A9. See page 2 for rates.

**NOTE:** Community Employment Supervisors and employees on Apprenticeship Schemes are insurable at Class A in the normal way.

## SUBSIDIARY EMPLOYMENTS

Subsidiary employment, which is insurable at Class J irrespective of earnings, is defined by Statutory Instrument No. 73/91 e.g. employment of people who are also insurable at Class B, C, D or H in their main employment.

## REHABILITATIVE EMPLOYMENT

- i) **Sheltered Workshop** employment is not insurable under Social Welfare Acts as it is:
  - Not regarded as being employment under a contract of service (i.e. no employer/employee relationship involved).
  - The allowance being paid is not "reckonable income" or "reckonable emoluments" for PRSI (and PAYE) purposes.
- ii) **Workplace Environment** employment in the open labour market where a normal employer/employee relationship exists is insurable at a Class A rate if weekly income is €38 or more and at a Class J rate if less than €38.

## PERSONAL PUBLIC SERVICE NUMBER

(PPS No. – formerly RSI No.)

It is vital that the correct PPS No. is shown on your P35L end of year return in respect of each employee.

Without the correct PPS No. it may be impossible to update your employee's record or process a claim for social welfare benefit. This in turn could lead to further enquiries to employers.

If you need assistance in tracing the PPS No.(s) for your employee(s), please contact:

**Client Data Services – Tel. (01) 704 3283/4**

You will need the following information when you call:

- (i) Your own employer's PAYE registration number
- (ii) The employee's name
- (iii) The employee's date of birth.

Alternatively, you can fax in a request with the above information on your headed notepaper to: (01) 704 3392.

## RECORDING OF CONTRIBUTIONS

(End of Year Returns for 2003)

**The P35 end of year return should not include any class/subclass of PRSI which was not applicable during the tax year.**

In the event of changes of class occurring (e.g. Class A0 and J0) an aggregate total of weeks for all classes should be included on the P35.

If more than two classes/subclasses are involved during the year, a form PRC 1 (copy in your P35 Pack) or a computer printout in the same format should be completed, showing the classes and number of weeks of insurable employment in each class or subclass.

Form P35 LT has to be used when the PPS No. is unknown, it should be noted that the Employee's Name, Address, Date of Birth and Mother's Birth Surname must be recorded.

## COMPLETION OF P45

Where an employee leaves his/her job the employer should complete a form P45 and give it to the employee IMMEDIATELY. The P45 is very important and may be required as evidence of entitlement to Social Welfare benefits.

## TAXATION OF UNEMPLOYMENT/ DISABILITY BENEFIT

Payments in respect of child dependents are excluded from the taxation of Unemployment Benefit and Disability Benefit. In addition, the first six weeks of Disability Benefit is exempt from tax.

The Department of Social and Family Affairs will notify employers of the amount of Disability Benefit to be taken into account for tax purposes where appropriate. Taxation of Unemployment Benefit will still be mainly applied by the tax office.

Enquiries in relation to taxation of Benefits should be directed to the local tax office or the Central Telephone Information Office at LoCall 1890 605 090.

## PENSIONS

Employees should apply for Retirement Pension (payable at age 65) or Old Age Contributory Pension (payable at age 66) three months prior to pension age.

Widows and Widowers should apply for a Widow/Widower's Pension as soon as possible after the death of their spouse.

Failure to apply in time may result in loss of pension. Unlike Retirement Pension, a person can continue working and claim a Widow's, Widower's or Old Age Contributory Pension.

Further information is available on:

**Retirement/Old Age Pension – Tel. (01) 704 3351**

**Widow's/Widower's Pension – Tel. (01) 704 3385**

**LoCall 1890 500 000**

## HOMEMAKERS

Employees who give up work to care for a child under age 12 or an incapacitated person, may have their Old Age (Contributory) Pension rights protected while out of the workforce.

For further information contact:

**Homemakers Section - Tel. (01) 704 3096**

## IF YOU NEED HELP

A Ready Reckoner containing weekly calculations in respect of Classes A, J, K and S and further information regarding PRSI Rates for Employers and Employees is available from:

**Information Services**

**Department of Social and Family Affairs,**

**Áras Mhic Dhiarmada,**

**Store Street, Dublin 1.**

**Telephone (01) 704 3174**

A range of information is now available for employers on the Department's website at [www.welfare.ie](http://www.welfare.ie)

**This Leaflet is intended as a guide only and does not purport to be a legal interpretation**

# EMPLOYERS

## *HAVE YOUR EMPLOYEES GOT THE CORRECT DOCUMENTATION?*

To ensure that a claim for Unemployment Benefit/Assistance can be processed with the minimum of delay, the documentation listed below should be provided to an employee immediately after a temporary break or permanent cessation of employment.

### Information required:

- ✓ P45 or written proof of termination/reduction of employment
- ✓ Full details of redundancy/severance package (where applicable)
- ✓ Letter regarding reduction in days of employment (if applicable).

Depending on an individual's circumstances additional documentation may be needed in order to support a claim.

These measures are to ensure that a claim can be processed **with the minimum of delay.**

**Your assistance in this regard is appreciated**



Department of Social & Family Affairs

# EMPLOYERS

## Are your employees getting their benefits?

### MATERNITY AND ADOPTIVE BENEFIT

Maternity Benefit is payable for 18 weeks and Adoptive Benefit for 14 weeks. Credited contributions will be awarded (to employees only) for the full period of maternity leave (including unpaid leave). However, an employee must apply for Credited contributions for unpaid leave. For more information contact Maternity Benefit or Adoptive Benefit Section at the numbers below.

Adoptive Benefit	☎ 043-40128
Maternity Benefit	☎ LoCall 1890 690 690
Maternity Leave	☎ LoCall 1890 245 545

### FAMILY INCOME SUPPLEMENT

Regular workers with at least one qualifying child may be entitled to Family Income Supplement, if their incomes fall below certain thresholds for their family size. This is now calculated on the basis of take-home pay (i.e. net of tax, PRSI, Superannuation etc.)

The wage thresholds range from €379 for a family with one child to €556 for eight or more from January 2003. Lone Parents are also entitled to apply. ☎ 043-40057/8

### BACK-TO-WORK ALLOWANCE

Under this scheme people aged 23 or over and out of work for at least 15 months, (12 months, if aged 50 or over) including lone parents, may retain 75% of their social welfare payment for the first year, reducing to 50% and 25% over the next two years.

They may also keep secondary benefits such as medical cards, rent and fuel allowances subject to certain conditions. ☎ 01-704 3165

### ONE-PARENT FAMILY PAYMENT

Existing or new workers may qualify with earnings up to €293 per week. ☎ 071-914 8376 or 071-916 9800 or 01-704 3000

### PART-TIME OR CASUAL WORKERS

Many people who are not yet able to find full-time work, take up part-time work (up to three days) and receive a partial unemployment payment. **Contact your local Social Welfare Office.**

### PART-TIME JOB INCENTIVE SCHEME

People on long-term unemployment assistance can get a special income supplement in addition to their wages (where working less than 24 hours per week) instead of their unemployment payment. **Contact your local Social Welfare Office.**

### CONTINUED CHILD DEPENDANT PAYMENT

People unemployed for at least 12 months or coming from Community Employment who are being paid full-rate child dependant allowance can keep this allowance for up to 13 weeks of new employment. **Contact your local Social Welfare Office.**

### WORK AND MEDICAL CARDS

People out of work for a year or more can keep their medical card for up to three years when returning to work or participating in Back-to-Work Allowance, Community Employment, Job Initiative or development courses such as "Workplace".

**Contact your local Health Board.**

### PENSIONS

Contributory Pensions, based on PRSI are not affected by other income. Employees should apply early to avoid delay or loss of payment. ☎ 071-914 8351

### PRSI EXEMPTION

A scheme for employers taking on extra staff. Approved employers do not have to pay their share of PRSI for 2 years when taking on eligible employees. ☎ 01-704 3867

### REVENUE JOB ASSIST

Under this scheme, employees and their employers can get additional tax credits for three years when taking up a job. To qualify for this scheme employees must be getting a qualifying payment for 12 months. **Contact your local Tax Office.**

### FÁS – MEETING YOUR RECRUITMENT NEEDS

Notify job vacancies to FÁS Employment Services, they will match candidates to your needs. Jobs are advertised locally, nationally or internationally, free of charge, throughout their network. FÁS can screen and shortlist candidates and send C.V.'s to you.

### FÁS RECRUITMENT INCENTIVES

Workplace - find out if someone is right for the job before you make a final decision to employ them, at no extra cost.

**Contact your local FÁS Employment Services Office.**