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Qualifying conditions for our schemes change from time to time. Always check with your local Intreo Centre, local Social Welfare Office or with Information Services to see if qualifying conditions have changed (see page 12 for contact details).

The information in this booklet is correct at the time of publication. This booklet is intended as a guide only and is not a legal interpretation.



## 1. Who pays Pay Related Social Insurance (PRSI)?

You will normally pay PRSI if you are aged between 16 and 65 and you are:

- an employee, or
- self-employed with a total income of €5,000 or more a year.

By paying PRSI, you are covered for a range of social insurance benefits and pensions.

## 2. How do I know if I am employed or self-employed?

Whether you are employed or self-employed depends on the facts of your individual working arrangement.

To clarify the difference between being employed and being self-employed, the Employment Status Group (set up under the Programme for Prosperity and Fairness) has published a **Code of Practice for determining Employment or Self-Employment status of Individuals**.

### 3. What social welfare benefits does my PRSI payment cover?

The type of benefits and pensions you may qualify for are decided by the class of PRSI you pay. In general, employees pay Class A PRSI and self-employed people pay Class S. The benefits covered by each class are listed below.

#### **Social welfare benefits and pensions under Class A PRSI**

- State Pension (Transition)
- State Pension (Contributory)
- Widow's, Widower's or Surviving Civil Partner's (Contributory) Pension
- Guardian's Payment (Contributory)
- Invalidity Pension
- Occupational Injuries Benefits
- Treatment Benefit (Dental or Optical)
- Jobseeker's Benefit
- Illness Benefit
- Carer's Benefit
- Maternity Benefit
- Adoptive Benefit
- Health and Safety Benefit

#### **Social welfare benefits and pensions under Class S PRSI**

- State Pension (Contributory)
- Widow's, Widower's or Surviving Civil Partner's (Contributory) Pension

- Guardian's Payment (Contributory)
- Maternity Benefit
- Adoptive Benefit

## 4. How are my PRSI and social welfare benefits affected if I am employed by my spouse or civil partner?

The table below and on page 6 outlines the different forms of employment and how they affect your cover for social welfare benefits and pensions.

<b>Employment arrangement</b>		<b>Social welfare cover as a result of the arrangement</b>
1.	Your spouse or civil partner is a sole trader and employs you	None
2.	You assist your self-employed spouse or civil partner but you are not a partner in the business	You will be covered under Class S PRSI.

3.	You work as an employee for a partnership in which your spouse or civil partner is a partner	<p>You will be covered under Class A PRSI.</p> <p>This is because your employment relationship is with the partnership as a business, not with your spouse or civil partner.</p>
4.	You provide a service as a self-employed person to a partnership in which your spouse or civil partner is a partner	<p>You will be covered under Class S PRSI.</p> <p>This is because your relationship is with the partnership as a business, not with your spouse or civil partner.</p>
5.	You work as an employee for a limited company in which your spouse or civil partner is a shareholder	<p>You will be covered under Class A PRSI.</p> <p>This is because your employment relationship is with the limited company, not with your spouse or civil partner.</p>
6.	You provide a service as a self-employed person to a limited company in which your spouse or civil partner is a shareholder	<p>You will be covered under Class S PRSI.</p> <p>This is because your relationship is with the limited company as a business, not with your spouse or civil partner.</p>

### Note

If your working arrangement is in category 1 (on page 5) you may be eligible to pay Voluntary Contributions to cover you for a pension. For more information see SW 8 on [www.welfare.ie](http://www.welfare.ie).

For more information on insurability of spouses or civil partners, log on to [www.welfare.ie](http://www.welfare.ie).

## 5. How are my PRSI contributions and tax affected if my spouse or civil partner and I operate a business in partnership?

### PRSI

If you and your spouse or civil partner share the profits of your business, you each pay Class S PRSI as self-employed contributors, as long as you each have income of €5,000 or more a year from all sources.

### Tax

As a first step, the partnership should be recognised by the Revenue Commissioners and registered for all relevant taxes (see page 9). When you work with your spouse or civil partner in a business partnership, you must make tax returns under the Revenue self-assessment system (for self-employed people). These tax returns must show the partnership income of each spouse or civil partner so that PRSI contributions can be calculated accurately.

## 6. How does the Department or Revenue decide that I am working with my spouse or civil partner in a partnership?

The Department of Social Protection and the Revenue Commissioners use the following factors to decide if a partnership normally exists:

- there is a written partnership agreement (a written agreement is not required by law, however);
- each partner writes cheques on the business accounts in their own right;
- there is a joint business account;
- it is apparent to those doing business with the partnership that a partnership exists;
- business accounts and activities are in joint names of the partners;
- each partner makes a significant contribution to the running of the business;
- the business is owned jointly by the partnership;
- the profits and losses of the partnership are shared by each partner;
- the business stationery reflects the existence of a partnership.

You should meet some of these general criteria if you are claiming to be in a partnership with your spouse or civil partner. If you cannot do this, you will be deemed not to be in a business partnership.



## 7. How do I meet my tax and PRSI obligations in a partnership?

- First, register with the local Revenue Office by completing a **TR1** registration form.
- Second, ensure you 'pay and file' - pay tax, PRSI and Health Contributions and file your income tax return by 31 October each year - under the Revenue's self-assessment system.

**Remember that entering into a partnership with your spouse or civil partner or any other person, might have consequences other than those related to tax or PRSI. It is important to obtain advice from a legal professional and a tax professional before you make any formal arrangements.**

## 8. How do I prove to the Department that I was in a partnership for previous years?

You should contact Scope Section at the address on page 12 if you believe that you were in a partnership in previous years. A Social Welfare Inspector will interview you and your spouse or civil partner, examine any relevant documents you have and report on your case to Scope Section.

Based on the Inspector's report and the criteria listed on page 8, a Deciding Officer may conclude:

- that a partnership existed for some years before the investigation (if so, you and your spouse or civil partner may pay Class S PRSI if you each had an income of at least €5,000 each year), or
- that a partnership did not exist (if so, you may appeal the decision).

**If a Deciding Officer concludes that a partnership existed and your income or your spouse's or civil partner's income from the partnership was less than €5,000 in any previous year, you or your spouse or civil partner will not pay PRSI for that year. The(se) year(s) will not then count towards pension entitlement.**

**If a Deciding Officer concludes that a partnership existed and that PRSI was underpaid, you must make up any shortfall to this Department before we can consider any application for a social welfare benefit or pension.**

**IMPORTANT: Application for any benefit or pension is a separate process to an application for commercial partnership status. Following a favourable partnership decision a person must pay any outstanding social insurance contributions for the relevant number of years. However, this is not a guarantee of entitlement to any benefit or pension as applicants must satisfy all relevant eligibility criteria for the scheme in order to qualify.**

**In particular, it should be noted that, in relation to the State Pension (Contributory), at least one year's self employment contributions must be paid before the applicant's 66th birthday and all contributions payable by the applicant must be paid.**

**Your benefit or pension application will be decided based on your contribution record. You should check the full eligibility conditions for benefits and pensions on [www.welfare.ie](http://www.welfare.ie).**

## 9. What happens if I want to appeal a decision about partnership status?

If you want to appeal a decision by the Department of Social Protection, contact the Social Welfare Appeals Office, an independent body that hears social welfare appeals. Its decisions can be further appealed to the High Court on a point of law.

For more information log on to **[www.welfare.ie](http://www.welfare.ie)**.

If you want to appeal a decision by the Revenue Commissioners, contact the Office of the Appeal Commissioners, an independent body that hears tax appeals. You may lodge an appeal of an assessment produced by the Revenue Commissioners after the tax year to which it refers. Decisions made by the Appeal Commissioners can be appealed to the courts.

## 10. Where can I get more information?

If you have any questions about this guide or you are still unsure if you have been in a partnership (**having received professional advice**), you should contact Scope Section of the Department of Social Protection or your local Revenue Office. In cases of any continuing doubt, a Scope Section Deciding Officer or your Revenue Office will look at the facts of your case and advise you on your status.

### Scope Section

Department of Social Protection  
Oisín House  
212-213 Pearse Street  
Dublin 2

Telephone: (01) 673 2585  
Fax: (01) 673 2460  
Email: **scope@welfare.ie**  
Web: **www.welfare.ie**

Local Revenue Office - details available at  
[www.revenue.ie/en/contact/index.html](http://www.revenue.ie/en/contact/index.html)

For information booklets, application forms and more information on social welfare services:

- Log on to **www.welfare.ie**.
- Text to **51909** (see details on Page 13).
- LoCall Information Line at **1890 66 22 44** (from the Republic of Ireland only) or **+353 71 91 93313** (from Northern Ireland or overseas).
- Drop in to your local Intreo Centre, local Social Welfare Office or Citizens Information Centre.

### Note

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

## Working with your spouse or civil partner: how it affects your social welfare contributions and entitlements

To request forms, text the form code followed by your name and address to 51909 (from the Republic of Ireland only). Standard text rates apply.

For example, if you wanted to request the Carer's Allowance form, text FORM CARA MARY MURPHY 1 NEW STREET, OLD TOWN, CO. DONEGAL.

<b>Social welfare payment or scheme</b>	<b>Form code</b>
<b>Back to School Clothing and Footwear Allowance</b>	<b>FORM BTSCFA</b>
<b>Carer's Allowance</b>	<b>FORM CARA</b>
<b>Carer's Benefit</b>	<b>FORM CARB</b>
<b>Child Benefit (Form CB1)</b>	<b>FORM CHILD</b>
<b>Disability Allowance</b>	<b>FORM DA</b>
<b>Domiciliary Care Allowance</b>	<b>FORM DCA</b>
<b>Family Income Supplement</b>	<b>FORM FIS</b>
<b>Free Travel</b>	<b>FORM TRAVEL</b>
<b>Fuel Allowance</b>	<b>FORM FUEL</b>
<b>Household Benefits</b>	<b>FORM HHB</b>
<b>Invalidity Pension</b>	<b>FORM INV</b>
<b>Living Alone Increase</b>	<b>FORM LAA</b>
<b>Maternity Benefit</b>	<b>FORM MAT</b>
<b>One Parent Family Payment</b>	<b>FORM OPFP</b>
<b>Respite Care Grant</b>	<b>FORM RCG</b>
<b>State Pension (Non-Contributory)</b>	<b>FORM SPNC</b>
<b>State Pension (Contributory)</b>	<b>FORM SPC</b>
<b>Widow(er)'s/Surviving Civil Partner's Contributory Pension</b>	<b>FORM WCP</b>
<b>Widow(er)'s/Surviving Civil Partner's Non-Contributory Pension</b>	<b>FORM WNCP</b>

## **Other useful booklets**

**Code of Practice for determining Employment or Self-Employment status of Individuals**

**Guide to Voluntary Contributions** SW 8

**Widow's, Widower's or Surviving Civil Partner's Contributory Pension** SW 25

**Invalidity Pension** SW 44

**Carer's Benefit** SW 49

**Social Welfare Appeals Office Appeals Hearings** SW 53

**Social Welfare Appeals Office An Introduction** SW 56

**Family Employments & PRSI** SW 102

**State Pension (Transition)** SW 118

**State Pension (Contributory)** SW 118

**Illness Benefit** SW 119

# Citizens Information

The Citizens Information Board is the statutory body which supports the provision of information, advice and advocacy on the broad range of social and civil services to the public. It provides the Citizens Information website and supports the voluntary network of Citizens Information Services and the Citizens Information Phone Service.

[www.citizensinformation.ie](http://www.citizensinformation.ie)

Lo-Call 1890 777 121 (Mon-Fri 9am-9pm)

Local Centres (see Golden Pages)

Citizen Information is available from over 250 locations nationwide. The contact details and opening hours of your nearest Citizens Information Centre are listed in the Golden Pages.