



Advance Notice for 2018

Advance notice of PRSI changes for computer users

PRSI changes announced in Budget 2018

Employee PRSI

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

Self-employed Payments

- There are no changes to the rate of self-employed PRSI or in the minimum/flat rate self-employed PRSI payments.
- The self-employed will gain access to Invalidity Pension from December 2017.

Employer PRSI

- The National Training Fund Levy (NTFL), collected alongside Employer PRSI for Classes A and H, will increase by 0.1% from 0.7% to 0.8% from 1 January 2018. This means that Employer rates (combined PRSI and NTFL) for Classes A and H will increase by 0.1%.

Other PRSI Classes

- There are no changes to other PRSI Classes.

Income bands and subclasses

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

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

Subclass	AX (PRSI credit applies)
Weekly	€352.01 to €376
Fortnightly	€704.01 to €752
Monthly	€1,525.01 to €1,629

Subclass	AL (PRSI credit applies)
Weekly	€376.01 to €424
Fortnightly	€752.01 to €848
Monthly	€1,629.01 to €1,837

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

Subclass	A9 (PRSI credit applies on earnings up to €424)
Weekly	more than €352.01
Fortnightly	more than €704
Monthly	more than €1,525

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

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

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

PRSI contribution rates from 1 January 2018

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

Up to €37.99	JO	All	0	0.50	0.50
€38 - €352	AO	All	0	8.60	8.60
€352.01 - €376	AX	All	4.00	8.60	12.60
€376.01 - €424	AL	All	4.00	10.85	14.85
More than €424	A1	All	4.00	10.85	14.85

PRSI credit applies to sub-classes AX and AL.

Use the following subclasses for Community Employment participants.

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

PRSI credit applies on earnings up to €424.

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

Up to €500	JO	All	0	0.50	0.50
More than €500	J1	All	0	0.50	0.50
FÁS Allowance	J9	All	0	0.50	0.50

Office Holders

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

Class M relates to people with a nil contribution liability (such as employees under age 16 and persons in receipt of occupational pensions).

Occupational Pensions

All income	M	All	0	0	0
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Share-based remuneration may, in certain circumstances, be subject to employee PRSI. Employers PRSI is not chargeable on share based remuneration.

PRSI contribution rates from 1 January 2018

Non-cumulative weekly income band	PRSI Subclass	How much of weekly income	Employee %	Employer %	Employee & Employer %
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Public sector employments

Up to €352	BO	All	0	2.01	2.01
€352.01 - €500	BX	All	0.90	2.01	2.91
More than €500	B1	Up to €1,443 inclusive	0.90	2.01	2.91
		Balance	4.00	2.01	6.01

Up to €352	CO	All	0	1.85	1.85
€352.01 - €500	CX	All	0.90	1.85	2.75
More than €500	C1	Up to €1,443 inclusive	0.90	1.85	2.75
		Balance	4.00	1.85	5.85

Up to €352	DO	All	0	2.35	2.35
€352.01 - €500	DX	All	0.90	2.35	3.25
More than €500	D1	Up to €1,443 inclusive	0.90	2.35	3.25
		Balance	4.00	2.35	6.35

Up to €352	HO	All	0	10.15	10.15
€352.01 - €424	HX	All	3.90	10.15	14.05
More than €424	H1	All	3.90	10.15	14.05

PRSI Credit applies to sub-class HX.

Self-employed (on PAYE system only)

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

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

Important points to note

- Under Classes A and H, employers pay a combined PRSI charge and contribution to the National Training Fund Levy (NTFL). The current NTFL contribution for both Class A and Class H employers is 0.7%. The balance of the employer charge is PRSI. With effect from 1 January 2018, the NTFL contribution for both Classes A and H will increase by 0.1% from 0.7% to 0.8%. There is no increase in the Employer PRSI charge. This will, however, result in a 0.1% increase in the rates payable by employers with employees subject to PRSI Classes A and H, as follows:

Class A Employer Rate

Weekly Income Band	Old Employer Rate	New Employer Rate
€38 to €376	8.5%	8.6%
In excess of €376	10.75%	10.85%

Class H Employer Rate

Weekly Income Band	Old Employer Rate	New Employer Rate
All Income	10.05%	10.15%

- For Class A and Class H employees with gross earnings between €352.01 and €424, the amount of the PRSI charge at 4% is reduced by the tapered weekly PRSI Credit.
- There is no annual earnings ceiling for PRSI for employees.
- There is no PRSI relief on pension contributions made by private sector employees.
- PRSI relief on pension contributions paid by private sector employers remains unchanged.
- Civil and public servants pay PRSI on the 'Pension levy' portion of their salaries.
- Civil and public service employers do not have to pay any employer PRSI on the 'Pension levy'.
- Employer and employee PRSI should be added together as normal. If a different subclass applies to the employee and to the employer, the return must always be made at the employee's subclass.
- Class A employees earning between €38 and €352 inclusive a week should be recorded under Subclass AO.
- Class A employees earning between €352.01 and €376 a week should be recorded under Subclass AX and the tapered PRSI credit applied.
- Class A employees earning between €376.01 and €424 a week should be recorded under Subclass AL and the tapered PRSI credit applied.
- For income of more than €424 a week, subclass A1 should be returned.
- For income of more than €500 a week, subclasses B1, C1, D1, H1, J1 and S1, as appropriate, should be returned.
- Community Employment participants earning €352 or less a week should be recorded under Subclass A8. Subclass A9 applies when earnings are more than €352 a week. The PRSI Credit applies to Class A9 for earnings up to €424.
- The Class J contribution normally relates to people with reckonable earnings of less than €38 a week (from all jobs). However, a small number of employees are insurable at Class J, regardless of earnings - for example, employees over age 66 and people in subsidiary employment.
- For participants in the JobsPlus scheme the appropriate rates of PRSI apply to both the employer and the employee.
- Subclasses A4, A6 and A7 which were previously used for the Employer's PRSI Exemption Scheme are no longer in use as the scheme was closed to new entrants since 1 July 2013.

You can download PRSI information booklets from our website at www.welfare.ie.

Calculation of the Class A PRSI Credit

- Class A employee PRSI is calculated at 4% of gross weekly earnings.
- For gross earnings between €352.01 and €424 in a week, the 4% PRSI charge is reduced by the PRSI Credit.
- The amount of the PRSI Credit depends on 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
 PRSI @ 4%	 €15.08
 Less: Reduced PRSI Credit	 € 7.83
 2018 weekly PRSI Charge	 € 7.25

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

This advance notice of PRSI changes for computer users is available on our website at www.welfare.ie or through our PRSI mailing list. If you wish to add your name to our list, please register at www.welfare.ie.

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

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

