

### **PRSI liability in respect of share-based remuneration**

Reckonable earnings and reckonable emoluments for PRSI purposes include share-based remuneration. Appendix 1 explains what is meant by share-based remuneration. PRSI is due on the net value or gain from the share-based remuneration in line with guidelines issued by Revenue Commissioners on valuing share-based remuneration. Only the employee contribution is payable at the Class A rate of 4%.

### **How do I pay PRSI on share based remuneration?**

Responsibility for deducting and remitting the employee PRSI contribution rests with the employer who granted the share-based remuneration.

#### **An employer will not be liable to deduct or remit PRSI, however, where a person:**

- a. realises a gain in respect of share options granted in accordance with section 128 of the Taxes Consolidation Act 1997. In such cases responsibility for paying PRSI rests with the individual. Payment should be made directly to the Revenue Commissioners via the RTSO payment system not later than 30 days after the date on which the option is exercised  
or
- b. realises a gain in respect of share options granted in accordance with section 519A, Taxes Consolidation Act 1997, and at the time the options are exercised is no longer an employee of the employer who granted the options. In such cases responsibility for payment of the PRSI rests with the individual and should be made directly to the Department of Social Protection via the Special Collections System within 30 days of the date on which the option is exercised.

### **Special Collections System**

1. **Please complete and return Appendix 2 of this form to: Special Collection Section, Social Welfare Services Office, Cork Road, Waterford, Locall 1890 690 690 FAX 051-877838**
2. Send your payment as follows:

<b>By cheque</b>	Accountant Department of Employment Affairs & Social Protection St Alphonsus Road Dundalk Co Louth	
<b>Or pay by e-banking:</b>	Name:	Bank of Ireland
	Address:	2 College Green Dublin 2
	Name of Account:	Non-Debt Recovery Public Bank A/c
	Account Number:	75555828
	Sort Code:	90-00-17
	International Swift Code:	BOF II E2D
	IBAN Code:	IE86 BOFI 9000 1775 5558 28
	<b>Reference:</b>	<b>PRSI SBR</b>

## **Appendix 1 – Share-based remuneration**

Share-based remuneration refers to shares in an employee's employer company, or a company that controls the employer company and is subject to employee PRSI in respect of the net value or gain from share-related arrangements. Share-based remuneration includes share-related arrangements which are subject to PAYE as well as

- (a) any gain realised by the exercise, assignment or release of a right in accordance with section 128 of the Taxes Consolidation Act 1997,
- (b) in the case of convertible securities within the meaning of section 128C of the Taxes Consolidation Act 1997, the chargeable amount computed in accordance with that section,
- (c) in the case of restricted shares within the meaning of section 128D of the Taxes Consolidation Act 1997, the chargeable amount computed in accordance with that section,
- (d) in the case of a profit sharing scheme approved by the Revenue Commissioners in accordance with Part 2 of Schedule 11 to the Taxes Consolidation Act 1997, the initial market value of the appropriated shares within the meaning of section 510(2) of that Act, and
- (e) in the case of a savings-related share option scheme approved by the Revenue Commissioners in accordance with Schedule 12A to the Taxes Consolidation Act 1997, any gain realised by the exercise of a right in accordance with section 519A of that Act,

where that gain, chargeable amount, value or amount is realised, acquired or appropriated, as the case may be, on or after 1 January 2011, but share-based remuneration shall not include any such gain, chargeable amount, value or amount realised, acquired or appropriated, as the case may be –

- (i) during the contribution year commencing on 1 January 2011 in respect of shares (including stock) that are the subject of a written contract or agreement that is in place before 1 January 2011, or
- (ii) in respect of shares (including stock) that were acquired before 1 January 2011 by an employee share ownership trust to which section 519 of the Taxes Consolidation Act 1997 applies;

**Appendix 2**

**Return this form to:**

**Special Collection Section, Social Welfare Services Office, Cork Road, Waterford**

**Locall 1890 690 690 FAX 051-877838**

**PRSI Liability in respect of share-based remuneration for persons using the Special Collections System**

Name	
PPSN	
Address	
Phone number	
Date on which share-based remuneration received	
Amount of gain on share-based remuneration	€
PRSI due @4%	
Previous employer from whom share-based remuneration received	
Previous employers registration number (available from your P60)	

I declare that the amounts entered are a full declaration of my gain and liability to PRSI in respect of share-based remuneration received by me on the date indicated.

**Signature:**

**Date:**