Universal Social Charge

Frequently Asked Questions

Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

10 July 2015

These FAQs have been updated on 10 July 2015. The changes from the previous version (published on 31 October 2014) are listed hereunder.

Revised FAQs

FAQ	Subject	Change
4.26	How are employers to treat payments arising in week 53 for USC purposes – given the particular arrangements set out in the Employment Regulations on how such income is treated for deduction of PAYE purposes?	Deleted the reference to an employee using all of their cut-off points at cumulative week 52 and paying USC at the highest rate stated on the P2C on all their Week 53 pay.
Appendix A	List of Social-Welfare-Like Payments	'Jobseeker's Transition Payment' added to DSP list. New list added: Education and Training Boards (ETBs)
Appendix B	Exempt Income Sources	Added: 194B - Back to Work Family Dividend 204B - Compensation for certain living donors (donation for kidney transplant)
Appendix E	Form P45 Part 1	2015 version inserted.

Changes listed in the FAQ document published on 31 October 2014

The rates and thresholds of the USC are changed with effect from 1 January 2015. Most of these FAQs have been updated to reflect this change and to delete information that is no longer relevant.

FAQ	Subject	Change
4.33	What are employers to do where they have not received 2015 P2Cs in time to run January 2015 payroll(s)?	Question revised to address January 2015 payroll.
4.35	An employee commences employment in December 2014 and hands in a 2014 P45. The employer operates the temporary basis. What is the employer to do where they have not received 2015 P2Cs in time to run January 2015 payroll(s), given that there is no third USC cut-off point shown on the 2014 P45?	Question revised to address January 2015 payroll.

Sections

Contents

1. Universal Social Charge (USC) General Provisions

1.1 What is the USC?
The USC which came into effect on 1 January 2011, is a tax payable on gross income, including notional pay, after any relief for certain trading losses and capital allowances, but before pension contributions.

1.2 Who is liable for the USC?
All individuals are liable to pay the USC if their gross income exceeds the threshold of €12,012 p.a. (€10,036 in the years 2012 to 2014).

For example (2015):

- Gross income of €10,500 – as the gross income is less than the exemption threshold of €12,012 no USC applies

- Gross income of €12,500 – as the gross income exceeds the exemption threshold of €12,012 USC applies to the **full** €12,500

1.3 Are there special treatments for older persons?
Yes, as follows:

Individuals aged 70 years or over **whose aggregate income for the year is €60,000 or less**, will only pay USC at a maximum rate of 3.5% in 2015 (4% in 2013 and 2014). 'Aggregate' income for USC purposes does not include payments from the Dept of Social Protection.

See question 2.32.

1.3A Are there special treatments for full medical card holders?
Yes, as follows:

Individuals in possession of a full medical card, including a Health Amendment Act card, **whose aggregate income for the year is €60,000 or less**, will only pay USC at a maximum rate of 3.5% in 2015 (4% in 2013 and 2014). 'Aggregate' income for USC purposes does not include payments from the Dept of Social Protection.

See question 2.31.

1.4 What is exempt from the USC?

- Where an individual's total income for a year does not exceed €12,012 (€10,036 in the years 2012 to 2014).

- All Dept of Social Protection payments

- Payments that are made in lieu of Dept of Social Protection payments such as Community Employment Schemes paid by the Department of Jobs, Enterprise and Innovation or Back to Education Allowance paid by the Department of Education and Skills. [Appendix A contains examples of these types of payments]

- Income already subjected to DIRT

- Income sources listed in Appendix B.

1.5 I am resident but not domiciled in Ireland and in receipt of Irish income. I am also in receipt of income from abroad. Am I liable to pay the USC and if so on what income?
You are liable to pay the USC on all of your Irish income and on your foreign income to the extent that such income is remitted into the State.

1.6 I am a non-resident director – will I be liable to pay USC?
Directors fees paid by an Irish company to a non-resident director will be subject to the charge.

1.7 What are the rates and thresholds of the USC?

The standard rates of USC are:

2011 - 2014	Rate	2015	Rate
On the first €10,036	2%	On the first €12,012	1.5%
On the next €5,980	4%	On the next €5,564	3.5%
On the balance	7%	On the next €52,468	7%
		On the balance	8%

However, these standard rates are modified in certain circumstances:

The Reduced rates of USC **are:**		
2011 & 2012	**2013 & 2014**	**2015**
Individual aged 70 years or over.	Individuals aged 70 years or over whose aggregate income for the year is €60,000 or less.	Individuals aged 70 years or over whose aggregate income for the year is €60,000 or less.
Individuals who hold a full medical card (regardless of age).	Individuals (aged under 70) who hold a full medical card whose aggregate income for the year is €60,000 or less.	Individuals (aged under 70) who hold a full medical card whose aggregate income for the year is €60,000 or less.
2% - on the first €10,036	2% - on the first €10,036	1.5% - on the first €12,012
The 4% rate applies to all income over €10,036	The 4% rate applies to all income over €10,036	The 3.5% rate applies to all income over €12,012

Self-employed income exceeding €100,000
There is a surcharge of 3% on individuals whose non-PAYE income exceeds €100,000 in a year.

Bank Bonuses
A special USC rate of 45% applies to certain bank bonuses paid to employees of those financial institutions that have received financial support from the State. See FAQ 2.25.

Property Relief Surcharge
An additional rate of USC (property relief surcharge) of 5% applies on that part of an individual's taxable income which is sheltered by any of the property or areabased incentive reliefs. This includes all of the property-based capital allowances and the relief for residential lessors, commonly known as section 23-type relief. It applies to capital allowances made in or carried forward into the tax year 2012 and any subsequent tax year or to any losses carried forward into 2012 or a subsequent year, which are attributable to section 23-type relief.

1.8 Are the higher rates being charged on all earnings or just on the earnings over the relevant threshold?

- **Aged under 70 years of age**

  1.5% USC applies to all payments up to €12,012.00 p.a. 3.5% USC is charged on all payments from €12,012.01 p.a. to €17,576.00 p.a. inclusive. 7% USC is charged on all payments from €17,576.01 p.a. to €70,044.00 p.a. inclusive. 8% USC is charged on all payments in excess of €70,044.00 p.a.

- **Aged 70 years and over and individuals in possession of a full medical card whose aggregate income for the year is €60,000 or less.**

  1.5% USC applies to all payments up to €12,012.00 p.a. 3.5% USC is charged on all payments in excess of €12,012.00

1.9 How is the USC collected?
Employer/pension providers are responsible for deducting the USC from their employees' salaries. Self-employed individuals will make a payment of USC along with their preliminary tax payment by 31 October with any balance payable by 31 October in the following year.

1.10 What income is liable for the USC?
The USC is payable on gross income after relief for certain trading losses and capital allowances, but before relief for pension contributions.

Employers/pension providers should note however that if any Dept of Social Protection payments, for example, Illness Benefit, have been paid to an employee, or salary sacrifices approved by the Revenue Commissioners have been made by the employee, the amount on which the USC is calculated will differ. Therefore, when recording gross pay, these amounts should be deducted and the total pay thereafter, before superannuation contributions, should be used when calculating the USC due.

1.11 Will redundancy payments be subject to the USC?

Statutory redundancy payments are exempt from the USC. Statutory redundancy payments amount to 2 weeks pay per year of service plus a bonus week subject to a maximum payment of €600 per week.

In addition, ex-gratia redundancy payments in excess of the statutory redundancy amount are exempt from income tax, and therefore also the USC, up to certain limits. These limits are up to €10,160 plus €765 per complete year of service in excess of the statutory redundancy. This basic exemption can be further increased by up to €10,000 if the person is not a member of an occupational pension scheme. There is a lifetime tax exempt limit of €200,000 on ex-gratia payments.

Any relevant emoluments paid which are in excess of these limits are subject to the USC. It should be noted that the charge applies after granting the statutory exemptions set out above, and after granting any additional deduction for Standard Capital Superannuation Benefit (SCSB).

1.12 I am separated from my spouse or civil partner, and paying maintenance payments. How are these payments treated for USC purposes?

How maintenance payments are treated for USC purposes will depend on the nature of the maintenance payments arrangements in place, i.e. are they voluntary payments or legally enforceable payments.

Voluntary maintenance payments (payments paid under an informal arrangement)

- The spouse or civil partner making the payments does not receive exemption from the USC on the portion of their income which they pay as maintenance.

- The spouse or civil partner who receives the payments is not subject to the USC on the maintenance payments they receive.

Legally enforceable maintenance payments (payable under legal obligation)

- The spouse or civil partner making the payments is entitled to receive an exemption from the USC on the portion of their income which they pay as maintenance either directly or indirectly to their spouse or civil partner. There is no USC exemption due in respect of any portion of the maintenance payments paid towards the maintenance of children.

  Claiming USC Relief throughout the year
  An employee wishing to claim USC exemption in respect of legally enforceable maintenance payments throughout the year must give the information required to their Revenue office. Revenue will then issue a letter to their employer advising an amount of salary to be disregarded for USC purposes.

  Claiming USC Relief at the end of the year
  Alternatively, the employee can apply to Revenue at the end of the year to claim any refund of USC that may be due in respect of maintenance paid.

- The spouse or civil partner who receives the payments is subject to the USC on the portion of the maintenance payments they receive in respect of themselves. Any portion of the maintenance payments paid towards the maintenance of children is not subject to the USC.

Note: In the case of a legally enforceable maintenance arrangement, where a separated couple has jointly elected to be treated as a couple in a mariage or in a civil partnership, for income tax purposes, the spouse or civil partner making the payments does not receive exemption from the USC on the portion of their income which they pay as maintenance. The spouse or civil partner who receives the payments is not subject to the USC on the maintenance payments they receive.

1.13 Are share option gains, chargeable to income tax under section 128 of the Taxes Consolidation Act 1997, liable to the USC?
Share option gains are liable to the USC. See FAQ 2.27

1.15 In the case of "restricted shares" to which section 128D Taxes Consolidation Act 1997 applies, is the USC payable on the gross amount chargeable to income tax or on the abated amount?
USC is payable on the abated amount. If, at a future date, the abated amount is revised additional USC will then be payable.

1.16 Is my employer's contribution to an approved retirement benefit scheme liable to USC?
No, section 778 of the Taxes Consolidation Act 1997 provides that an employer's contribution to an approved retirement benefit scheme or a statutory scheme is not treated as a benefit-in-kind for income tax purposes. As the USC treatment follows the income tax treatment, any employer contribution to such schemes will not be subject to USC. Irrespective of this, employ**ee** contributions are not relieved for USC purposes.

An employer's contribution to an employee's **PRSA** is, however, treated as a benefit-in-kind and chargeable to both income tax and USC. It should be noted that while employer contributions to a PRSA are a taxable benefit in the employee's hands, these same contributions qualify for full tax relief subject to certain age-related limits. They are **not** subject to PAYE and they are **not** chargeable to PRSI (both employer and employee share). They are subject to USC.

1.17 I earn interest from a deposit account but have been exempted from DIRT because I am aged 65 years and will have total income from all sources of less than €18,000 for 2015. Do I have to pay USC on my interest income?
No. Once you satisfy the particular savings institution that you are aged 65 or over **and** that your total income from all sources, including your deposit account, does not exceed €18,000 in a tax year (€36,000 for a couple in a marriage or in a civil partnership), you do not have to pay USC on the interest income. However, you will have to pay USC in respect of any non-interest income where such income exceeds €12,012 in 2015 (€10,036 in the years 2012 to 2014).

1.18 I am a public servant who paid Pensions Related Deduction (PRD) in 2010 that were refunded in 2011. Is this refund chargeable to USC?

If you paid income levy in 2010 on the PRD, this income levy will not be refunded and will be treated as satisfying any liability you may have for USC in 2011 in respect of the amount of PRD refunded.

From 1 January 2011, PRD is charged to USC when the deductions are made. Any PRD refunds will not therefore be chargeable to USC.

1.19 Where can I find the Regulations governing the USC?

The Universal Social Charge Regulations 2011 (S.I. 658 of 2011) can be found at: www.revenue.ie/en/practitioner/law/statutory/si-658-2011.pdf

1.20 Does USC apply to the Public Service Pension Reduction (PSPR)?

No. USC does not apply to the Public Service Pension Reduction.

1.21 Is the USC covered by our Double Taxation Agreements?

Yes. In general, double taxation treaties concluded by Ireland include a provision to the effect that the treaty also applies to taxes imposed after the date of signature of the treaty, where those taxes are identical, or substantially similar, to taxes that are listed in the treaty. Taxes on income are covered by the treaties and these include taxes imposed on total income or on elements of income.

Revenue wrote to each of its treaty partners after the introduction of the income levy in 2008, indicating that the income levy was a tax on income substantially similar to income tax. The replacement of the income levy by the USC has also been communicated to treaty partners. In addition, the USC (or income levy, in some cases) is listed as a specific tax in Ireland's newer double taxation treaties that were concluded after Finance (No. 2) Act 2008, (which introduced the income levy).

1.22 Is income receivable by an individual under a Deed of Covenant liable to the USC?

In most cases (e.g. deeds made for research, teaching of natural sciences and to certain bodies for the promotion of human rights), there is no deduction available to a disponer for USC purposes. In these situations, a deed of covenant is not regarded as income in the hands of the recipient for USC purposes.

However, if the deed of covenant is in favour of

- A permanently incapacitated person (excluding covenants between a parent and his/her permanently incapacitated minor child), or
- a person aged 65 or over

where the following provisions of section 792 TCA 1997 apply:

- it's payable or applicable for the benefit of an incapacitated person or a person aged 65 or over for a period which exceeds or may exceed six years, and
- in the case of the person aged 65 or over, the payment does not exceed 5% of the total income of the disponer,

the qualifying amount reduces the income of the disponer for USC purposes. The recipient is subject to USC on the qualifying amount where his or her income (including the deed of covenant) exceeds the USC exemption threshold of €12,012 (€10,036 in years 2012 to 2014).

2. PAYE Taxpayers and the USC

2.1 Are the first €12,012 (€10,036 p.a. in years 2012 to 2014) earnings exempt?
No – once your income is greater than the exemption threshold above, you pay the USC on the full amount of your income.

2.2 I'm over 70 years and my 2015 income will be €25,000 - is the first €12,012 exempt?
No. You are liable to pay the USC on the full amount of your income. Your income for USC purposes is determined after excluding any Dept of Social Protection or similar type income. See questions, 2.30, 2.31 and 2.32.

2.3 My spouse or civil partner and I are both over 65 and taxed under joint assessment– are we exempt from the USC?
Each spouse or civil partner is treated individually by their employer/pension provider throughout the year. The amount of USC you pay will depend on your age and the amount of your income. The age of '65' is not relevant for the purposes of USC. A lower maximum rate of 3.5% may apply to individuals (other than those with self-employment income over €100,000) aged 70 and over.

See FAQ 1.7 for the rates and thresholds applicable.

2.4 I earn €20,000 p.a. and have a medical card – do I pay USC on my wages?
Yes. However, individuals in possession of a full medical card, including a Health Amendment Act card, whose aggregate income for the year is €60,000 or less, will only pay USC at a maximum rate of 3.5%. 'Aggregate' income for USC purposes does not include payments from the Dept of Social Protection. See FAQ 1.3A. This treatment does not apply to individuals who hold other types of 'medical card', such as a GP Visit Card, a Drugs Payment Scheme Card or a Long-Term Illness Scheme Card.

Certain individuals who are ordinarily resident in Ireland automatically qualify for an Irish medical card under EU Regulations. However, they still need to submit the appropriate application form to the HSE before a medical card is issued to them. The European Health Insurance Card which provides for access to hospital care similar to that provided in public hospitals is not regarded as a full medical card.

For the tax years 2009 and 2010 in the case of income levy, and 2011 in the case of USC, Revenue treated 'frontier workers' who travelled from another EU Member State (e.g. Northern Ireland) to work in the State as being automatically entitled to a full medical card under EU legislation. However, following an examination of the relevant EU legislation and discussions with the HSE, there is, in fact, no entitlement for such treatment.

Accordingly, with effect from 1 January 2012, 'frontier workers' from another EU Member State (including, Northern Ireland) who do not obtain a full Irish medical card, will be liable to the normal maximum 8% (7% in years 2011 to 2014) USC rate, where they have sufficient income for this rate to apply.

Further information:
eBrief No. 81/2011: "Cross-Border" workers and Universal Social Charge (USC)
www.revenue.ie/en/practitioner/ebrief/archive/2011/no-812011.html

The individual does not need to hold the medical card for the full year to qualify for the 3.5% maximum USC. It is due as long as the individual holds a full medical card for some period during the year.

As with PAYE tax credits and rate bands, Revenue notify employers of the USC rates and thresholds to be applied for all employees. On receipt of a full medical card, you should notify Revenue immediately. Revenue will then issue a revised tax credit certificate to your employer. Any refund due will be automatically made by your employer. It should be noted that your employer cannot apply the lower rate of USC and refund any overpayment of USC deducted unless they have received a revised tax credit certificate from Revenue stating that the lower rate of USC applies.

Note: Revenue supplies only the information your employer needs to calculate the tax and USC you pay. All other personal information you give Revenue remains confidential between you and Revenue. The revised tax credit certificate issued to your employer will not state that you hold a full medical card.

2.5 Given that my employer/pension provider includes my Dept of Social Protection Illness Benefit payments with my pay, will I now have to pay the USC on this benefit?
No. Dept of Social Protection payments are not subject to the USC.

2.6 I am aged 45 and earn €50,000 per annum – what rate of USC will I pay?
You will pay USC at the rate of 1.5% on the first €12,012, 3.5% on the next €5,564 and 7% on the balance of €32,424.

2.7 I earn €70,000 and my spouse or civil partner earns €120,000 (employment income) - what rate of USC will we pay?
You will pay USC at the rate of 1.5% on the first €12,012, 3.5% on the next €5,564 and 7% on the balance of €52,424.

Your spouse or civil partner will pay 1.5% on the first €12,012, 3.5% on the next €5,564, 7% on the next €52,468 and 8% on the balance of €49,956.

2.8 I am 45 years old and paid weekly. If I get a bonus of €6,000 will the USC apply at the top rate of 8%?
(See FAQ 2.25 regarding bank bonuses)

USC is deducted on a cumulative basis similar to the way PAYE is deducted. An employee will pay the USC at the appropriate rate(s) according to the amount of their payment (normal pay plus any bonus, etc) in that particular week.

2.9 Are Occupational Pensions subject to the USC?
Yes. Occupational Pensions are subject to the USC. Dept of Social Protection pensions are not subject to the USC.

2.10 Will the USC affect tax credits?
No. The USC is a separate charge to income tax and there are no deductions or credits due against it. It is collected from gross income at the progressive rates. Excess or unused tax credits cannot be used to reduce an individual's liability to the USC.

2.11 Am I allowed a deduction for pension contributions?
No. Deductions (from gross income) for pension contributions are not allowed.

2.12 My medical expenses are greater than my taxable income. Can I set the excess expenses against USC to reduce my liability to it?
No. Excess medical expenses which have not been set against income tax liability cannot be used to reduce liability to the USC.

2.13 Are couples in a marriage or in a civil partnership, who are jointly assessed, allowed double the threshold limits?
No. The thresholds apply to each spouse or civil partner individually and cannot be combined where one spouse or civil partner is below the thresholds and the other is above the thresholds.

2.14 Short-term working arrangement Job Seeker's Benefit is not taxable. Will I now have to pay the USC on it?
No. All payments from the Department of Social Protection, and payments made by other Departments, which are similar to Dept of Social Protection payments are exempt from the USC. Appendix A contains a list of these similar payments.

2.15 Should I pay the USC on travel expenses, etc?
Any expense payments which are only a recompense for expenses incurred in the performance of duties, are not subject to the USC. Allowances which are in the nature of pay and are part of an individual's gross income are subject to the charge.

2.18 If I change employment during the year and earn €50,000 with my first employer/pension provider and €100,000 with my second employer/pension provider will the higher USC rates automatically kick in?
USC is deducted on a cumulative basis similar to the way PAYE is deducted. When you leave employment, your employer will give you a form P45. This will show your pay, tax, USC, and PRSI details for the year up to the date you leave. Give this P45 to your new employer so that the correct tax and USC continues to be deducted from your pay.

2.19 Is it true that although I am exempt from income tax, I may still have to pay the USC?
Appendix B contains a list of income sources that are exempt from income tax. These income sources are also exempt from USC.

An individual whose income consists of exempt (or partly exempt) source income from occupation of certain woodlands, profits from stallion fees, stud greyhound services fees and farmland leasing, along with patent royalty income and earnings of certain writers, artists and composers, will be subject to the charge on any or all of these income sources.

An individual who has no liability to income tax based on their entitlement to tax credits or by use of losses or capital allowances may still have a liability to the USC.

2.20 I am a single person earning €25,000 and will be 70 years old in June 2015. Will I benefit from the maximum 3.5% rate of USC for all of 2015?
Yes. If a person reaches 70 years at any stage during the year they will benefit from the maximum 3.5% rate for the whole year.

See FAQ 1.3 regarding the income limit of €60,000.

2.21 I have just left employment and my employer/pension provider has given me a USC Certificate along with my form P45. What do I do with the USC Certificate?
The USC Certificate applied for the year 2011 only. With effect from 1 January 2012, all USC information is included on the form P45.

2.22 What if I have overpaid the USC? How can I claim a refund?
USC is deducted on a cumulative basis similar to the way PAYE is deducted. This means that your USC deductions are spread out evenly over the year and the correct amount of USC is deducted by the end of the year. Overpayments of USC should not arise. If, however, at the end of the year you think you have overpaid USC, you can apply for a review of your USC and tax on PAYE anytime. If you are not registered on PAYE anytime you can do so here.

2.23 My employer makes a contribution on my behalf to my Personal Retirement Savings Account (PRSA). Is the USC payable in respect of this contribution given it qualifies for tax relief as a pension contribution?
Yes. USC applies to all emoluments of an employment, including anything treated as a taxable benefit-in-kind. An employer contribution to a Personal Retirement Savings Account (PRSA) is chargeable to income tax in the hands of the employee as a benefit-in-kind under section 118 of the Taxes Consolidation Act 1997. As the USC treatment follows the income tax treatment the employer contribution to the PRSA will also be subject to the USC. USC should be deducted on this contribution in a similar manner to any other benefit provided by an employer and accounted for with USC deducted on emoluments.

It should be noted that while employer contributions to a PRSA are a taxable benefit in the employee's hands, these same contributions qualify for full tax relief subject to certain age-related limits. They are **not** subject to PAYE and they are **not** chargeable to PRSI (both employer and employee share).

2.24 I have overpaid the USC in 2012. How can I claim a refund?
See question 2.22

2.25 I am employed in a bank and receive performance-related payments. Am I affected by the special tax on bank bonuses?
Employees of the five financial institutions that have received financial support from the State - Bank of Ireland, AIB, Anglo Irish Bank, EBS and Irish Nationwide Building Society – are chargeable to a special USC rate of 45% where they receive performance-related bonus payments. Normal rates apply where the cumulative amount of any bonus payments does not exceed €20,000 in a single tax year. Where this threshold is exceeded, the full amount is charged at 45% and not just the excess over €20,000. Regular salary that does not vary with the performance of the business or the employee is not subject to the increased charge.

2.26 Does the USC have to be paid on pension lump sums?
From 1 January 2011 there is a new lower lifetime limit of €200,000 on the amount of retirement lump sums that are exempt from income tax. Amounts in excess of this limit are subject to income tax in two stages. The portion between €200,000 and €575,000 is taxable at a special 20% rate of income tax and any portion above that is taxable at the individuals marginal income tax rate. USC is only payable on the portion above €575,000.

2.27 I have made a gain on the exercise of share options. How do I pay USC on this gain?
Unlike the position with the income levy, you should pay USC on gains made on the exercise of share options to the Collector-General with the form RTSO1and include it with the amount of the RTSO in the "Total Tax Liability" box. You should not insert a separate USC amount on the form. When the Form 11 is subsequently filed, you should enter details of the amount of the gain and the amount of RTSO and USC paid with the RTSO1.

2.28 I am a participant on a Community Employment Scheme and also earn €11,000 per year in a part-time employment. How will USC apply in my case?
Payments made to participants on a Community Employment (CE) Scheme are social-welfare-like payments and are therefore exempt from the USC. [Appendix A contains examples of these types of payments]. Revenue has instructed CE Scheme employers that USC does not apply to these exempt payments.

As your income in your part-time employment is less than the USC exemption limit of €12,012 (in 2015), you will not pay USC in this employment. You should contact your

Revenue office and ask for a tax credit certificate showing USC-exemption to be issued to your part-time employment. (See related FAQ 2.29 and 4.46)

2.29 I am a participant on a Community Employment Scheme and also earn €13,000 per year in a part-time employment. How will USC apply in my case?
Payments made to participants on a Community Employment (CE) Scheme are social-welfare-like payments and are therefore exempt from the USC. [Appendix A contains examples of these types of payments]. Revenue has instructed CE Scheme employers that USC does not apply to these exempt payments.

As your income in your part-time employment is greater than the USC exemption limit of €12,012, you will pay USC in this employment. As this is your only income that is chargeable to USC (the CE Scheme is exempt), you can set all your USC thresholds against it. You should contact your Revenue office and ask for a tax credit certificate (with all USC thresholds) to issue to your part-time employment. (See related FAQ 2.28 and 4.46)

2.30 What changes were announced in October 2014 (Budget 2015) regarding the USC?

The Minister announced changes to the USC rates and thresholds, as follows:

The Standard rates of USC are:			
2011 - 2014	**Rate**	**2015**	**Rate**
On the first €10,036	2%	On the first €12,012	1.5%
On the next €5,980	4%	On the next €5,564	3.5%
On the balance	7%	On the next €52,468	7%
		On the balance	8%

The Reduced Rates of USC are:		
2011 & 2012	**2013 & 2014**	**2015**
Individual aged 70 years or over.	Individuals aged 70 years or over whose aggregate income for the year is €60,000 or less.	Individuals aged 70 years or over whose aggregate income for the year is €60,000 or less.
Individuals who hold a full medical card (regardless of age).	Individuals (aged under 70) who hold a full medical card whose aggregate income for the year is €60,000 or less.	Individuals (aged under 70) who hold a full medical card whose aggregate income for the year is €60,000 or less.
2% - on the first €10,036	2% - on the first €10,036	1.5% - on the first €12,012
The 4% rate applies to all income over €10,036	The 4% rate applies to all income over €10,036	The 3.5% rate applies to all income over €12,012

The Exempt categories for Universal Social Charge are:		
2011	**2012, 2013 & 2014**	**2015**
Where an individual's total income for a year does not exceed €4,004	Where an individual's total income for a year does not exceed €10,036	Where an individual's total income for a year does not exceed €12,012
All Dept of Social Protection payments	All Dept of Social Protection payments	All Dept of Social Protection payments
Income already subjected to DIRT	Income already subjected to DIRT	Income already subjected to DIRT

Self-employed income exceeding €100,000
There is a surcharge of 3% on individuals whose non-PAYE income exceeds €100,000 in a year.

Note:
'Aggregate' income for USC purposes does not include payments from the Dept of Social Protection.
A 'GP only' card is not considered a full medical card for USC purposes.

2.31 I have a full medical card and will earn €55,000 in 2015. What USC will I pay?
Individuals in possession of a full medical card whose aggregate income for the year is €60,000 or less, will only pay USC at a maximum rate of 3.5%. 'Aggregate' income for USC purposes does not include payments from the Dept of Social Protection.

You will pay the USC at the rate of 1.5% on the first €12,012 and 3.5% on the balance of €42,988.

2.32 I am aged 73 and will have the following income in 2015: Employment income €65,000; State Pension €11,975; Deposit Interest (subject to DIRT) €100. What USC will I pay?
See question 2.30 above regarding the changes to USC announced by the Minister in Budget 2015.

You have three sources of income, but only one source is chargeable to USC:

Employment income	€65,000	Chargeable to USC
State Pension	€11,975	Not chargeable to USC
Deposit Interest (subject to DIRT)	€ 100	Not chargeable to USC

As the portion of your income that is chargeable to USC (employment income €65,000) exceeds the 2015 €60,000 income threshold for over 70's, you do not qualify for the reduced rate of USC. Instead, the standard USC rates apply to your **full** employment income, as follows:

1.5% on the first	€12,012
3.5% on the next	€ 5,564
7% on the balance	€47,424
	€65,000

It should be noted that where income exceeds the €60,000 limit, it is not the case that the reduced rate applies to income up to €60,000 and standard rates apply to income in excess of €60,000. Where the income exceeds the €60,000 limit, the **full** income is liable to the standard rates of 1.5%, 3.5%, 7% and 8%.

3. Self-Assessed Taxpayers and the USC

3.1 How will the USC be collected?
Self-assessed taxpayers have responsibility for operating the charge in respect of all income sources. They will make a payment of USC along with their preliminary tax payment, by 31 October with any balance payable by 31 October in the following year. (For the year 2011, preliminary tax was calculated as if USC had been payable for 2010).

3.2 I am self-employed – how do I calculate gross income for the purposes of the USC?
Gross income is determined after deduction of legitimate expenses directly associated with the performance of the trade. This is in accordance with the normal principles of commercial accounting.

3.3 Can expenses be deducted?
Legitimate revenue expenses directly associated with the performance of the trade can be deducted in calculating the taxable profit figure upon which the USC is chargeable.

3.4 Am I allowed to deduct capital allowances or losses?
Normal business expenses incurred in carrying on a trade are deductible before the USC is calculated. This includes allowances for capital expenditure incurred on providing certain items for the purposes of the trade, such as

- Plant and machinery
- Vehicles used for business purposes
- Certain types of buildings, such as factories or farm buildings

Capital allowances (other than those used to create or increase a loss under section 392 TCA 1997) must actually be used in a tax year to be deductible. Only standard rate capital allowances are deductible. Apart from farm buildings, capital allowances that are written off over accelerated 7-year periods are not allowed. Any capital allowances due to people that do not actively carry on a trade are not deductible. Therefore, lessors and other passive investors, such as non-active partners in a partnership trade, will pay the USC on gross income before the deduction of capital allowances. Appendix C contains details of both deductible and non-deductible allowances in respect of the different types of buildings.

Losses other than those arising from the carrying on of a trade or profession are not deductible before USC is charged. Nor can trading losses arising in a tax year reduce other non-trading income in that year. Where unused trading losses are carried forward, only that part of the losses that is actually used to reduce taxable income from the same trade in the tax year to which they have been carried forward is deductible.

3.5 Are exempt sources of income liable for the USC?
Yes. An individual whose income consists of exempt source income from occupation of certain woodlands, profits from stallion fees, stud greyhound services fees and farmland leasing, along with patent royalty income and earnings of certain writers, artists and composers, will be subject to USC on the sources above – subject to the relevant thresholds.

3.6 What USC should I include in my preliminary tax for 2011?
An individual can calculate their preliminary tax for 2011 on the basis of 90% of the 2011 liability, and incorporate USC using the 2011 rates of 2%, 4%, 7% and 10%, as appropriate.

However where the individual wishes to pay preliminary tax on the basis of 100% of the previous year liability then their preliminary payment should be on the basis of the final liability for the year 2010 as if USC at the appropriate rates had been paid for that year, and as if the income levy and health contributions had not been payable for 2010.

3.7 I have a medical card. Will this affect my liability for USC?

Individuals in possession of a full medical card, including a Health Amendment Act card, **whose aggregate income for the year is €60,000 or less**, will only pay USC at a maximum rate of 3.5% in 2015. 'Aggregate' income for USC purposes does not include payments from the Dept of Social Protection.

See question 2.30 for the Reduced Rates applicable to the years 2011 to 2014.

See FAQ 2.4 for further information about what is regarded as a **full** medical card.

3.8 I am aged 60 and in 2014 & 2015 will have non-PAYE income of €120,000 and also PAYE employment income of €60,000. What USC will I pay?

Your 2014 USC is calculated as follows:

Gross Income for USC:

Non-PAYE income:	120,000
PAYE employment:	60,000
	180,000

USC liability:

€10,036	@ 2%	=	200.72
€5,980	@ 4%	=	239.20
€143,984	@ 7%	=	10,078.88
* €20,000	@ 10%	=	2,000.00
			12,518.80

Your 2015 USC is calculated as follows:

Gross Income for USC:

Non-PAYE income:	120,000
PAYE employment:	60,000
	180,000

USC liability:

€12,012	@ 1.5%	=	180.18
€5,564	@ 3.5%	=	194.74
€52,468	@ 7%	=	3,672.76
€89,956	@ 8%	=	7,196.48
* €20,000	@ 11%	=	2,200.00
			13,444.16

* There is a surcharge of 3% on individuals who have non-PAYE income that exceeds €100,000 in a year. This surcharge applies to the non-PAYE income only.

3.9 Is foreign employment income on which Transborder Relief is due, liable to the USC?

The USC does not apply to that part of the income to which Section 825A applies i.e. Foreign Employment Income.

4. Employers/pension providers and the Universal Social Charge (USC)

4.1 As an employer/pension provider, what are my responsibilities in relation to the collection and remittance of the USC?

- Identify "Gross Income" as defined
- Deduct the USC from this income at the appropriate rates
- Pay the total amount of the USC deducted from your employees on form P30 to the Collector General
- At end of year give details of the USC on form P35L – see FAQ 4.12

4.2 Who is responsible for deducting and returning the USC?
Employer/pension providers have responsibility for operating USC in relation to payments they make to their employees. They will deduct and pay the USC to the Collector General on behalf of employees.

4.3 I am an employer/pension provider – when do I pay this USC?
Employer/pension providers should pay the USC to the Collector General at the same time and in the same manner as the deductions under the PAYE system.

4.4 If the employer/pension provider is responsible, what will the penalty be if the USC is not correctly administered?
Penalties similar to those that apply where the employer/pension provider fails to operate PAYE correctly will apply for failure to operate the USC.

4.5 Will there be an interest charge for late payment of the USC?
Yes. Interest will be payable on late payments of the USC to the Collector General.

4.6 If all earnings are taken into account, how does an employer/pension provider know what an employee may earn in another employment to determine which USC % should be applied?
The employer/pension provider is only responsible for deducting the USC from income, including notional pay, which he or she is paying to an employee. They are not required to take account of income arising from other sources.

4.7 Are Dept of Social Protection payments added to income to determine whether the USC will be charged or not?
No. Dept of Social Protection payments are exempt from the USC.

4.8 Is calculation of the USC different from calculation of PAYE and PRSI?
The calculation is separate to PAYE and PRSI and is based on gross income as defined

For 2011, the USC was collected on a week 1 basis within each employment. With effect from 1 January 2012, the deduction of USC has changed to a cumulative basis similar to the way PAYE is deducted. As with PAYE tax credits and rate bands, Revenue notify employers of the USC rates and thresholds to be applied for all employees.

4.9 For employer/pension providers using Direct Debit, should their amounts be increased, to take account of the USC?
Yes. Direct Debit amounts should be revised to take account of USC payments.

4.10 What records should employer/pension providers keep regarding the USC?

Employers/pension providers shall record the following particulars in relation to every payment of relevant emoluments that the employer makes to or on behalf of the employee:

- the date of the payment,
- the amount of the relevant emoluments, and
- in relation to the date of payment -
  - the cumulative relevant emoluments
  - the cumulative USC, and
  - the amount of USC, if any, deducted or repaid on making the payment of relevant emoluments.

4.11 Should pay-slips record the USC details separately?
Yes. Details of the USC should be recorded separately on payslips.

4.12 On what payroll forms is the USC reported on?
USC is reported on the following forms:

- P30
- P35 Declaration
- P35 L
- P35 LT
- P60 (template) - See sample P60 template in Appendix F.
- Forms P45 and P45 Supplement - See sample paper P45 in Appendix E.

  Paper P45's are available from:

  Revenue's Forms & Leaflets Service
  Telephone (24-Hour service) 1890 30 67 06
  If calling from outside the Republic of Ireland please phone + 353 1 70 23 050
  Email: custform@revenue.ie

4.13 What is the weekly/monthly, etc. breakdown of the USC?
With effect from 1 January 2012, for PAYE taxpayers, the deduction of USC has changed from a week 1 basis to a cumulative basis similar to the way PAYE is deducted. As with PAYE tax credits and rate bands, Revenue notify employers (on Employers' Tax Credit Certificates - P2Cs – see sample in Appendix D) of the USC rates and thresholds to be applied for all employees.

Where lower rates of USC apply in certain circumstances, – for example, in the case of employees aged 70 and over, or where employees hold full medical cards – these lower rates are stated on the Tax Credit Certificate (P2C) issued by Revenue. Where an employee advises their employer that they are aged 70 years or will reach 70 years in the tax year, or that they hold a full medical card, the employee should be instructed to contact their Revenue office to arrange to have a revised P2C issued.

Where exemption from USC applies, this will be stated on the P2C.

Employers are not to apply the lower rates or exemption threshold themselves, but must instead operate strictly on the figures stated on the P2C issued by Revenue.

4.14 Where a payment is made for a period of less than, or more than, a week/month/etc., have the weekly/monthly/etc. threshold amounts to be adjusted accordingly?

No. The same standard threshold amounts apply in all instances. For example, a weekly paid employee should, if a payment of salary is made in the week in which employment commences or ceases, have the full USC threshold applied for the week, even if the payment relates to part of the week only.

4.15 Circumstances in which employers/pension providers should make adjustments to the USC liabilities at the end of 2011

Deleted. This provision only applied to 2011.

4.16 How is the USC applied to holiday pay paid in advance of the usual pay day?

The application of USC to holiday pay paid in advance of the usual pay day should follow the same manner in which PAYE is applied.

4.17 A four-weekly paid employee is receiving holiday pay paid in advance in respect of two weeks holidays. How is the USC applied in this case?

The application of USC to holiday pay paid in advance of the usual pay day should follow the same manner in which PAYE is applied.

4.18 A weekly paid employee is receiving holiday pay paid in advance in respect of 4 weeks holidays. How is the USC applied in this case?

The application of USC to holiday pay paid in advance of the usual pay day should follow the same manner in which PAYE is applied.

4.19 An employee is due to receive back pay in 2015. Even though the back pay relates to an earlier year(s), will the payment be subject to the USC?

Yes. Any payments made on or after 1 January 2011 but which relate to earlier years will be subject to the USC. The USC treatment depends on the date of the payment rather than on when the income was earned.

Example:

An individual has a back-dated pay adjustment which results in payment of arrears (in respect of the years 2008 to 2011 inclusive), and receives this payment in January 2015. This payment is subject in full to the USC.

4.20. Does the USC reduce the gross pay for PAYE/PRSI purposes?
No. Any deduction for the USC does not reduce the gross pay for PAYE/PRSI purposes, as illustrated in the following example:

An employee earns €800 per week.
Their weekly deduction for Salary Sacrifice for the Travel Pass Scheme is €20
Their weekly deduction for employee superannuation is €40

USC calculation:

Gross pay	€800
Less Salary Sacrifice for Travel Pass	€ 20
USC is applied to	€780

[231 x 1.5% = €3.46, 107 x 3.5% = €3.74, 442 x 7% = €30.94]

Total USC =	€38.14

Note: the USC is applied **before** the employee superannuation is deducted.

PRSI calculation:

Gross pay	€800
Less Salary Sacrifice for Travel Pass	€ 20
PRSI is applied to	€780 at the appropriate rate(s)

PAYE calculation:

Gross pay	€800
Less Salary Sacrifice for Travel Pass	€ 20
Less employee superannuation	€ 40
PAYE is applied to	€740 at the appropriate rate(s)

4.21 An employee reaches 70 years of age during the year after having paid the rate of 7% on some of their earnings. What is the employer to do?
Where lower rates of USC apply in certain circumstances, for example, in the case of employees aged 70 and over (subject to €60,000 income limit), these lower rates will be stated on the Employer Tax Credit Certificate (P2C) issued by Revenue. Where an employee advises their employer that they are aged 70 or over, or will reach 70 years in the tax year, the employee should be instructed to contact their Revenue office to arrange to have a revised P2C issued.
Employers are not to apply the lower rates themselves but must instead operate strictly on the figures stated on the P2C issued by Revenue.

4.22 USC Certificate (2011) on cessation of employment
The USC Certificate applied to 2011 only. With effect from 1 January 2012, USC details are reported on form P45.

4.23 How is the USC applied in cases where an exclusion order has been issued?
In circumstances where an individual is in receipt of Schedule E income which is subject to an Exclusion Order, USC should not be deducted from the Schedule E payment. This applies to **all** PAYE exclusion Orders, irrespective of the residency status of the individual or whether a Double Taxation Agreement exists or not.

Further information:
eBrief No. 82/2011: Universal Social Charge (USC) and Income Levy – employees resident and working in non tax treaty countries

4.24 Are employees within the Employer PRSI Exemption scheme exempt from the USC?
The USC applies to income rather than to categories of individuals. Income received in the form of Social Welfare payments is exempt income. The Employer PRSI Exemption Scheme allows employees who are in receipt of a 'back to work' allowance to retain part of that allowance for 3 years after they take up employment. This 'back to work' allowance is exempt from USC and is not added to other income to see if the exemption threshold of €12,012 (€10,036 in years 2012 to 2014) is reached. However, the employment income (and any other non-Social Welfare income) is chargeable to USC where it exceeds €12,012 (€10,036 in years 2012 to 2014).

Note:
The DSP JobsPlus Incentive Scheme replaced the DSP Employer PRSI Exemption Scheme (and the Revenue Job Assist Scheme) from 1st July 2013.

4.25 Is Maternity Benefit subject to the USC?
No. Maternity Benefit is not subject to the USC. Employees who are absent due to maternity leave but who are in continuous employment are not liable for the USC on their Maternity Benefit payment paid as part of their wages. The balance of any emoluments paid by an employer continues to be subject to the USC.

It should be noted that, with effect from 1 July 2013, Maternity Benefit is taxable in full.

4.26 How are employers to treat payments arising in week 53 for USC purposes – given the particular arrangements set out in the Employment Regulations on how such income is treated for deduction of PAYE purposes?

Where a Week 53 occurs, the following instructions apply:

Payroll basis	**USC Deduction**
Where payroll is operating on a cumulative basis	Continue to operate on a cumulative basis for the 53rd week, using the cumulative Cut-Off Points. Unlike PAYE, there are no additional thresholds granted in Week 53.
Where payroll is operating on a week 1/month 1 basis	No cut off points, apply the top rate as per the P2C or where no P2C is in effect, from the P45.

Where the P2C advises that USC exemption applies	Continue to apply the exemption. Do not deduct USC from the Week 53 pay.
Where payroll is operating on the emergency basis	Continue to apply the emergency basis.

See Example 12 (Week 53) in the Cumulative Basis Universal Social Charge 2012 - Example Payroll Calculations: www.revenue.ie/en/tax/usc/usc-examples.pdf

4.27 Where an employee has two sources of income, one or both of which is under the exemption threshold of €12,012 p.a., but which when combined will exceed the threshold, can the employee opt to pay the USC at a rate higher than the gross pay would suggest?

No. Where an employee has more than one source of income they can contact Revenue to have their USC rate bands divided between their employments and have revised P2Cs issued to their employers.

4.28 How are employee contributions and employer contributions to a Permanent Health Insurance scheme treated for USC purposes?

Employee contributions to a Permanent Health Insurance scheme do not reduce the figure of pay for USC purposes. For example:

Gross Pay	€1,000
Employee contribution to a PHI scheme	€20
Gross Pay for USC purposes	€1,000

Employer contributions to a Permanent Health Insurance scheme are chargeable to USC. For example:

Gross Pay	€1,000
Employer contribution to a PHI scheme	€20
Gross Pay for USC purposes	€1,020

4.29 My employer makes a contribution on my behalf to my Permanent Health Insurance Scheme. Is this contribution subject to the USC?

Yes. USC applies to an employer's contribution to a Permanent Health Insurance Scheme. Such a contribution is treated as a taxable benefit-in-kind.

4.30 How is the USC applied in cases where an individual holds a full medical card?

Individuals in possession of a full medical card, including a Health Amendment Act card, **whose aggregate income for the year is €60,000 or less**, will only pay USC at a maximum rate of 3.5% in 2015. 'Aggregate' income for USC purposes does not include payments from the Dept of Social Protection.

Note: For previous years the following applied:

For the years 2013 and 2014	Individuals in possession of a full medical card, including a Health Amendment Act card, whose aggregate income for the year was €60,000 or less only paid USC at a maximum rate of 4%.
For the years 2011 and 2012	Individuals in possession of a full medical card, including a Health Amendment Act card, only paid USC at a maximum rate of 4% irrespective of the level of their income.

This treatment does not apply to individuals who hold other types of 'medical card', such as a GP Visit Card, a Drugs Payment Scheme Card or a Long-Term Illness Scheme Card.

Certain individuals who are ordinarily resident in Ireland automatically qualify for an Irish medical card under EU Regulations. However, they still need to submit the appropriate application form to the HSE before a medical card is issued to them. The European Health Insurance Card which provides for access to hospital care similar to that provided in public hospitals is not regarded as a full medical card.

For the tax years 2009 and 2010 in the case of income levy, and 2011 in the case of USC, Revenue treated 'frontier workers' who travelled from another EU Member State (e.g. Northern Ireland) to work in the State as being automatically entitled to a full medical card under EU legislation. However, following an examination of the relevant EU legislation and discussions with the HSE, there is, in fact, no entitlement for such treatment.

Accordingly, with effect from 1 January 2012, 'frontier workers' from another EU Member State (including, Northern Ireland) who do not obtain a full Irish medical card, will be liable to the normal maximum 8% (7% in years 2012 to 2014) USC rate, where they have sufficient income for this rate to apply.

Further information:
eBrief No. 81/2011: "Cross-Border" workers and Universal Social Charge (USC)

The individual does not need to hold the medical card for the full year to qualify for the 3.5% maximum USC. It is due as long as the individual holds a full medical card for some period during the year.

Where lower rates of USC apply in certain circumstances, – for example, where employees hold full medical cards – these lower rates will be stated on the P2C issued by Revenue. Where an employee advises their employer that they hold a full medical card, (and lower rates are not stated on the P2C) the employee should be instructed to contact their Revenue office to arrange to have a revised P2C issued.

4.31 How are arrears of pay due to an employee who has ceased employment treated for USC purposes?
Any payments made on or after 1 January 2011 are subject to the USC. Arrears of pay are treated for USC in the same manner as they are treated for PAYE.

- **Arrears of pay paid to a former employee in the year(s) following the year of cessation of employment**

Where a former employee receives a payment of arrears of pay in the year(s) following the year of cessation of employment, the emergency basis of USC (see FAQ 4.34) should be applied to the arrears.

The USC entries should be made on the USC record for the income tax week or month in which payment is made. Form P45 Supplement should be completed and sent to the employee's Revenue office immediately.

- **Arrears of pay paid to a former employee in the year of cessation of employment**

A payment made after the date of cessation, within the year of cessation of employment, that is not included in form P45, should be dealt with for USC purposes in the following way:

- if a tax credit certificate is held by the employer, the employer must deduct USC on the arrears by reference to the former employee's USC rates and cut-off points as if the payment is being made on the date the employee ceased to be employed by the employer
- if no tax credit certificate is held by the employer, the emergency basis of USC deduction (see FAQ 4.34) should be applied to the arrears.

The USC entries should be made on the USC record for the income tax week or month in which payment is made. Form P45 Supplement should be completed and sent to the employee's Revenue office immediately.

4.32 As and from 1 January 2012, the deduction of USC has changed from a week 1 basis (as applied in 2011) to a cumulative basis – similar to the manner in which PAYE is deducted. What are the main changes for employers?

The following forms cater for the USC:

- P2C
- P30
- P35 Declaration
- P35 L
- P35 LT
- P60 (template) - See sample P60 template in Appendix F.
- Forms P45 and P45 Supplement - See sample paper P45 in Appendix E.

4.33 What are employers to do where they have not received 2015 P2Cs in time to run January 2015 payroll(s)?

The rates and thresholds of the Universal Social Charge (USC) are changed with effect from 1 January 2015. In December 2014, Revenue will issue to employers/pension providers 2015 Tax Credit Certificates (P2Cs) for all employees, advising the rates and thresholds applicable from 1 January 2015.

In the situation where an employer has not received 2015 P2Cs in time to run January 2015 payroll(s), the following instructions apply:

- Where standard rates (2%, 4% & 7%) were advised in the 2014 P2C, employers/ pension providers should use the following 2015 Standard USC rates and thresholds from 1 January 2015, until the 2015 P2C is received:

2015	Rate
On the first €12,012	1.5%
On the next €5,564	3.5%
On the next €52,468	7%
On the balance	8%

- Where reduced rates (2% & 4%) were advised in the 2014 P2C, employers/pension providers should use the following 2015 Reduced USC rates and thresholds from 1 January 2015, until the 2015 P2C is received:

2015	Rate
On the first €12,012	1.5%
On the balance	3.5%

- Where USC Exemption was advised in the 2014 P2C, employers/pension providers should continue to apply USC Exemption from 1 January 2015, until the 2015 P2C is received.

- Where the emergency basis of USC deduction applied, employers/pension providers should continue to apply the emergency basis of USC from 1 January 2015, until the 2015 P2C is received. The 2015 emergency USC rate is 8%.

  See Emergency Rates 2012 - 2015

Example 1:

Revenue issued a P2C in 2014 advising the following USC rates and Cut-Off Points:

Rates of USC	
USC Rate 1	2%
USC Rate 2	4%
USC Rate 3	7%

	Yearly COP	**Monthly COP**	**Weekly COP**
USC Rate 1 Cut-Off Point	10,036.00	836.34	193.00
USC Rate 2 Cut-Off Point	16,016.00	1,334.67	308.00

As the employer has not received a 2015 P2C in time to run the January 2015 payroll, the following rates and Cut-Off Points are to be applied from 1 January 2015, until the 2015 P2C is received:

Rates of USC	
USC Rate 1	1.5%
USC Rate 2	3.5%
USC Rate 3	7%
USC Rate 4	8%

	Yearly COP	**Monthly COP**	**Weekly COP**
USC Rate 1 Cut-Off Point	12,012.00	1,001.00	231.00
USC Rate 2 Cut-Off Point	17,576.00	1,464.67	338.00
USC Rate 3 Cut-Off Point	70,044.00	5,837.00	1,347.00

Example 2:

Revenue issued a P2C in 2014 advising the following USC rates and Cut-Off Points:

Rates of USC	
USC Rate 1	2%
USC Rate 2	4%
USC Rate 3	7%

	Yearly COP	**Monthly COP**	**Weekly COP**
USC Rate 1 Cut-Off Point	9,000.00	750.00	173.08
USC Rate 2 Cut-Off Point	13,000.00	1,083.34	250.00

As the employer has not received a 2015 P2C in time to run the January 2015 payroll, the following rates and Cut-Off Points are to be applied from 1 January 2015, until the 2015 P2C is received:

Rates of USC	
USC Rate 1	1.5%
USC Rate 2	3.5%
USC Rate 3	7%
USC Rate 4	8%

	Yearly COP	**Monthly COP**	**Weekly COP**
USC Rate 1 Cut-Off Point	12,012.00	1,001.00	231.00
USC Rate 2 Cut-Off Point	17,576.00	1,464.67	338.00
USC Rate 3 Cut-Off Point	70,044.00	5,837.00	1,347.00

Example 3:

Revenue issued a P2C in 2014 advising the following USC rates and Cut-Off Points:

Rates of USC	
USC Rate 1	2%
USC Rate 2	4%
USC Rate 3	7%

	Yearly COP	**Monthly COP**	**Weekly COP**
USC Rate 1 Cut-Off Point	6,000.00	500.00	115.39
USC Rate 2 Cut-Off Point	6,000.00	500.00	115.39

As the employer has not received a 2015 P2C in time to run the January 2015 payroll, the following rates and Cut-Off Points are to be applied from 1 January 2015, until the 2015 P2C is received:

Rates of USC	
USC Rate 1	1.5%
USC Rate 2	3.5%
USC Rate 3	7%
USC Rate 4	8%

	Yearly COP	**Monthly COP**	**Weekly COP**
USC Rate 1 Cut-Off Point	12,012.00	1,001.00	231.00
USC Rate 2 Cut-Off Point	17,576.00	1,464.67	338.00
USC Rate 3 Cut-Off Point	70,044.00	5,837.00	1,347.00

Example 4:

Revenue issued a P2C in 2014 advising the following USC rates and Cut-Off Points:

Rates of USC	
USC Rate 1	2%
USC Rate 2	4%

	Yearly COP	**Monthly COP**	**Weekly COP**
USC Rate 1 Cut-Off Point	10,036.00	836.34	193.00

As the employer has not received a 2015 P2C in time to run the January 2015 payroll, the following rates and Cut-Off Points are to be applied from 1 January 2015, until the 2015 P2C is received:

Rates of USC	
USC Rate 1	1.5%
USC Rate 2	3.5%

	Yearly COP	**Monthly COP**	**Weekly COP**
USC Rate 1 Cut-Off Point	12,012.00	1,001.00	231.00

Example 5:

Revenue issued a P2C in 2014 advising the following USC rates and Cut-Off Points:

Rates of USC	
USC Rate 1	2%
USC Rate 2	4%

	Yearly COP	Monthly COP	Weekly COP
USC Rate 1 Cut-Off Point	9,000.00	750.00	173.08

As the employer has not received a 2015 P2C in time to run the January 2015 payroll, the following rates and Cut-Off Points are to be applied from 1 January 2015, until the 2015 P2C is received:

Rates of USC	
USC Rate 1	1.5%
USC Rate 2	3.5%

	Yearly COP	Monthly COP	Weekly COP
USC Rate 1 Cut-Off Point	12,012.00	1,001.00	231.00

Example 6:

Revenue issued a P2C in 2014 advising the following USC rates and Cut-Off Points:

Rates of USC	
USC Rate 1	2%
USC Rate 2	4%

	Yearly COP	Monthly COP	Weekly COP
USC Rate 1 Cut-Off Point	0.00	0.00	0.00

As the employer has not received a 2015 P2C in time to run the January 2015 payroll, the following rates and Cut-Off Points are to be applied from 1 January 2015, until the 2015 P2C is received:

Rates of USC	
USC Rate 1	1.5%
USC Rate 2	3.5%

	Yearly COP	Monthly COP	Weekly COP
USC Rate 1 Cut-Off Point	12,012.00	1,001.00	231.00

Example 7:

Revenue issued a P2C in 2014 advising that USC Exemption applies.

As the employer has not received a 2015 P2C in time to run the January 2015 payroll, USC Exemption is to be applied from 1 January 2015, until the 2015 P2C is received.

Example 8:

The employee is on the emergency basis of USC at 31 December 2014. The 2014 USC emergency rate is 7% with no cut-off points.

As the employer has not received a 2015 P2C in time to run the January 2015 payroll, he/she must continue to apply the emergency basis of USC from 1 January 2015, until the 2015 P2C is received. The 2014 USC emergency rate is 8% with no cut-off points.

4.34 How does the emergency basis of USC operate?
While the rules applicable to emergency tax operable in PAYE include a gradual escalation in emergency tax rates over a given period, in USC there is just a flat % rate (with no cut-off points) applied to all payments:

2015		
Week or Month	**USC Cut-Off Point**	**USC Rate**
All	€0.00	8%

2012 - 2014		
Week or Month	**USC Cut-Off Point**	**USC Rate**
All	€0.00	7%

Example:

An employee commences employment in March 2015 and emergency USC applies. They earn €800 p.w.

Emergency USC:
- Rate: 8%
- Cut-Off Point: 0.00

Gross Pay for USC purposes: €800
USC deducted: €64.00 (800 x 8%)

4.35 An employee commences employment in December 2014 and hands in a 2014 P45. The employer operates the temporary basis. What is the employer to do where they have not received 2015 P2Cs in time to run January 2015 payroll(s), given that there is no third USC cut-off point shown on the 2014 P45?

In the situation where an employer has not received 2015 P2Cs in time to run January 2015 payroll(s), the following instructions apply:

- Where two USC cut-off points are shown on the 2014 P45 (and therefore standard rates 2%, 4% & 7% applied), employers/pension providers should use the following 2015 Standard USC rates and thresholds from 1 January 2015, until the 2015 P2C is received:

2015	Rate
On the first €12,012	1.5%
On the next €5,564	3.5%
On the next €52,468	7%
On the balance	8%

- Where one USC cut-off point is shown on the 2014 P45 (and therefore reduced rates 2% & 4% applied), employers/pension providers should use the following 2015 Reduced USC rates and thresholds from 1 January 2015, until the 2015 P2C is received:

2015	Rate
On the first €12,012	1.5%
On the balance	3.5%

- Where USC Exemption is shown on the 2014 P45, employers/pension providers should continue to apply USC Exemption from 1 January 2015, until the 2015 P2C is received. However, where the employee's estimated wages for 2015 will exceed the USC exemption threshold of €12,012, the USC standard rates should be applied instead of USC exemption until the 2015 P2C is received.

- Where the emergency basis of USC deduction applies, employers/pension providers should continue to apply the emergency basis of USC from 1 January 2015, until the 2015 P2C is received. The 2015 emergency USC rate is 8%.

  See Emergency Rates 2012 - 2015

4.36 Revenue provides an electronic USC payroll card on www.revenue.ie. Has this card been revised to accommodate the third USC cut-off point?
The USC payroll card at www.revenue.ie/en/business/paye/e-tax-deduction-card.html will be updated shortly.

4.37 How is USC information shown on the paper version of employer Tax Credit Certificates (P2Cs)?
See sample P2C in Appendix D. The USC information is shown in the section below the PAYE section. USC rates and Cut-Off Points, along with previous USC pay and USC deducted, where applicable, are shown.

Example (2015 figures):
An individual earning €800 per week in 2015, aged less than 70 and not in receipt of a full medical card. A cumulative P2C issues to his employer, advising:

(2015 P2C extract)

Universal Social Charge (USC)

Exemption Case N

Rates of USC	
USC Rate 1	1.5%
USC Rate 2	3.5%
USC Rate 3	7%
USC Rate 4	8%

	Yearly COP	Monthly COP	Weekly COP
USC Rate 1 Cut-Off Point	12,012.00	1,001.00	231.00
USC Rate 2 Cut-Off Point	17,576.00	1,464.67	338.00
USC Rate 3 Cut-Off Point	70,044.00	5,837.00	1,347.00

The following details of Gross Pay for USC purposes and USC deducted, from 1 January 2015, to date of commencement with your employment, should be taken into account when calculating current USC deductions.

Total Gross Pay for USC purposes: 0.00 **Total USC Deducted:** 0.00

Payroll will deduct USC as follows:

- **Payday 1 – 5 January 2015**

Gross Pay for USC purposes this payday: €800
Cumulative Gross Pay for USC purposes to date: €800

€231.00	x 1.5% =	3.46
€107.00 (338.00 – 231.00)	x 3.5% =	3.74
€462.00 (800.00 – 338.00)	x 7% =	32.34
Cumulative USC		39.54
USC deducted this payday		39.54

- **Payday 2 – 12 January 2015**

Gross Pay for USC purposes this payday: €800
Cumulative Gross Pay for USC purposes to date: €1,600

€462.00 (231.00 x 2)	x 1.5% =	6.93
€214.00 (676.00 – 462.00)	x 3.5% =	7.49
€924.00 (1,600 – 676.00)	x 7% =	64.68
Cumulative USC		79.10
Less USC already paid		39.54
USC deducted this payday		39.56

4.38 How does the USC Exemption Marker on Employer Tax Credit Certificates (P2Cs) work?

As with PAYE tax credits and rate bands, Revenue notify employers (on Employers' Tax Credit Certificates - P2Cs) of the USC rates and thresholds to be applied for all employees.

Where Revenue determine that the employee/pensioner's total annual earnings (from all USC-able sources) will not exceed the 2015 USC exemption threshold of €12,012, the USC exemption will be stated on the P2C issued by Revenue. This USC exemption marker is an instruction to the employer/pension provider not to deduct USC from payments being made.

Where the employer holds a P2C which does not show exemption and the employee/ pensioner advises them that USC exemption applies to them, the employee/ pensioner should be instructed to contact their Revenue office to arrange to have a revised P2C issued. While awaiting a revised P2C the employer should continue to use the P2C currently held.

4.39 On the Employer Tax Credit Certificate (P2C) - What is the difference between the Income Tax (PAYE) Exemption marker and the USC Exemption marker?
Employers/pension providers should note that the USC Exemption marker operates in a different way to the Income Tax Exemption marker. An employee/pensioner may be exempt from both PAYE and USC; or they may be exempt from PAYE but not exempt from USC; or they may be exempt from USC but not exempt from PAYE.

Example (2015 figures):
An employee earns €10,920 in 2015. He is exempt from both Income Tax (PAYE) and from USC. A cumulative P2C issues to his employer, advising:

INCOME TAX – PAY AS YOU EARN

Exemption Case: Y

Yearly Tax Credits	3,600.00	Monthly Tax Credits	300.00	Weekly Tax Credits	69.24

Rates of Tax	
Tax Rate 1	20%
Tax Rate 2	40%

	Yearly COP	Monthly COP	Weekly COP
Tax Rate 1 Cut-Off Point	18,000.00	1,500.00	346.16

The following details of Pay and Tax deducted, from 1 January 2015, to date of commencement with your employment, should be taken into account when calculating current PAYE deductions.

Total Pay: 0.00 **Total Tax:** 0.00

Universal Social Charge (USC)

Exemption Case: Y

The following details of Gross Pay for USC purposes and USC deducted, from 1 January 2015, to date of commencement with your employment, should be taken into account when calculating current USC deductions.

Total Gross Pay for USC purposes: 0.00 **Total USC Deducted:** 0.00

- **USC Exemption marker**
  The USC Exemption marker instructs that USC is **not** to be deducted from any payments being made to the employee/pensioner in this employment/pension.

Payroll - USC

Payday 1 – 5 January 2015
Gross Pay for USC purposes this payday: €210
Cumulative Gross Pay for USC purposes to date: €210

P2C: USC Exemption applies in this case (therefore, do not deduct USC)
USC deducted: €0.00

The end of year P35 will state:
Gross Pay for USC purposes: €10,920.00
USC Deducted: € 0.00

- **Income Tax (PAYE) Exemption marker**
  Where Income Tax (PAYE) Exemption applies, it is **not** an instruction to the employer that tax is not to be deducted (unlike USC). Instead the employee is given a special-amount Cut-Off Point and Tax Credit, and the higher rate of tax to be applied is the Marginal Relief rate of 40%.

  (Note: the 2015 highest rate of tax is 40% and the Marginal Relief rate of tax is also 40%).

  The above P2C advises that the Cut-Off Point to be applied in this employment is €18,000 (weekly €346.16), and that the Tax Credits to be applied are €3,600 (weekly €69.24). The rates of tax to be applied are 20% and 40%.

Payroll – Income Tax (PAYE)

Payday 1 – 5 January 2015
Gross Taxable Pay: €210
Cumulative Gross Taxable Pay: €210

Gross Tax: 210.00 x 20% =	42.00
Less tax credits:	<u>69.24</u>
Tax due	0.00

The end of year P35 will state:
Total taxable Pay: €10,920.00
Net Tax Deducted: € 0.00

4.40 – The basis of deduction (cumulative or week 1) is stated on the P2C – will the same basis of deduction apply to both PAYE and USC?
Yes. See sample P2C in Appendix D.
The basis of deduction is stated at the top of the P2C. Where deductions are to be made using the cumulative basis, the P2C will state that the certificate is effective from 1 January YYYY; where deductions are to be made using the week 1/month 1 basis, the

P2C will state that the certificate is effective from 1 July YYYY… 'on a Week 1/Month 1 Basis'.

The basis of deduction stated on the P2C applies to both PAYE and USC. Where an employee is on cumulative basis for PAYE, they will be on cumulative basis for USC, and vice versa. Where an employee is on a Week 1 basis for PAYE, they will also be on a Week 1 basis for USC, and vice versa.

Note 1 - Regarding Emergency Basis
Where an employee is on the emergency basis for PAYE, they will also be on the emergency basis for USC, and vice versa.

Note 2 - Regarding Exemption
An employee/pensioner may be exempt from both PAYE and USC; or they may be exempt from PAYE but not exempt from USC; or they may be exempt from USC but not exempt from PAYE.

4.41 What changes have been made to the P45?
See sample P45 in Appendix E.

Form P45 is currently being updated to accommodate the third USC cut-off point.

The updated paper P45, along with a P45 Helpsheet, will be available from mid-December 2014 from:

> Revenue's Forms & Leaflets Service
> Telephone (24-Hour service) 1890 30 67 06
> If calling from outside the Republic of Ireland please phone + 353 1 70 23 050
> Email: custform@revenue.ie

4.42 What is the employer to do when a new employee gives them a P45?
An employer who is given parts 2 and 3 of form P45 should retain part 2 and send part 3 to Revenue. This can be done electronically through the Revenue On-Line Service (ROS). Revenue will issue an employer Tax Credit Certificate (P2C) to the new employer.

If a pay day occurs before receipt of the P2C the new employer should operate PAYE either on a week 1 basis or on the emergency basis.

Where the week 1 basis is used, the tax credits and cut-off points (both tax and USC) information on the P45 can be used on a week 1 basis but the previous pay, tax, pay for USC and USC deducted should not be used to operate the cumulative system. The previous pay, tax, pay for USC and USC deducted will be notified to the employer on the P2C issued by Revenue.

See FAQ 4.35 regarding applying a 2014 P45 in 2015 payroll.

4.43 Where a P2C indicates the employee is exempt from USC, if the employee has paid USC already in the tax year, should this USC be refunded?

- Where the P2C issues on a cumulative basis, all previous USC should be refunded.

- Where the P2C issues on a Week 1 basis, normal Week 1 basis rules apply and no refund is due. A P2C showing USC exemption may issue on a Week1 basis where, for example, a P45 from a previous employer is outstanding.

See Example 8 – 'Cumulative basis – moving to Exemption [Refund situation]' in the Payroll calculation examples document www.revenue.ie/en/tax/usc/usc-examples.pdf

4.44 The employer tax credit certificate (P2C) shows employees' yearly, monthly and weekly USC cut-off points. What cut-off points are used for fortnightly and four-weekly paid employees?
The same rules regarding the application of tax credits and cut-off points in fortnightly/four-weekly PAYE payroll apply to fortnightly/four-weekly USC payroll. See Chapter 8 of the Employer's Guide to PAYE

4.45 Where Revenue determine that an employee is exempt from paying USC, the P2C issues showing an exemption marker and no USC cut-off points. If this employee subsequently ceases employment how does the employer complete the USC fields on the P45?
Using the following example 2015 payroll figures:

Gross Pay for USC purposes:	€9,500.00
P2C states USC Exemption applies in this case	
USC Deducted:	€ 0.00

- the employer will complete the P45 as follows:

Gross Pay for USC purposes:	€9,500.00
USC Deducted:	€ 0.00
Weekly/Monthly USC Cut-Off Point 1	0.00
Weekly/Monthly USC Cut-Off Point 2	0.00
Weekly/Monthly USC Cut-Off Point 3	0.00

Note: The 2015 P35 will show:

Gross Pay for USC purposes:	€9,500.00
USC Deducted:	€ 0.00

4.46 Payments such as DSP payments, payments paid under the Community Employment Schemes, Back to Education Allowance, etc. are exempt from USC. How are these payments to be treated in payroll?

See Appendix A for further examples of these payments.

The Universal Social Charge should not be deducted from these payments.

Where these payments are administered through payroll, employers (payers of these payments) will have received employer tax credit certificates (P2Cs) showing USC rates and thresholds or USC exemption. Revenue is reminding employers that USC does not apply to these exempt payments. Accordingly, the USC rates and thresholds shown on a P2C is not relevant to these payments. The USC rates and thresholds stated on the P2C apply only to payments that are chargeable to USC. [It should be noted that the P2C continues to apply for income tax purposes]. USC which was deducted in error from these payments since 1 January should be refunded.

P45/P60/P35

As these payments are exempt from USC, they should not be returned on forms P45, P60 and P35. Gross Pay for USC purposes should be recorded as zero and USC Deducted should be recorded as zero.

Appendix A List of Social-Welfare-Like Payments

Department of Social Protection

- Rural Social Scheme
- Farm/Fish Assist
- Community Employment Scheme
- Tús (community work placement initiative)
- Job Bridge (internship scheme)
- Job Initiative Scheme
- Jobseeker’s Allowance and Jobseeker’s Benefit
- One-Parent Family Payment
- Jobseeker’s Transition Payment
- Widow(er)’s Pension
- Disability Allowance
- Adult Dependent of a recipient of the non-contributory State Pension
- Domiciliary Care Allowance

Health Service Executive (HSE)

- Blind Welfare Supplementary Allowance
- Mobility Allowance

Department of Education and Skills

- Vocational Training Opportunities Scheme (VTOS)
- Youthreach Training Allowances
- Senior Traveller Training Allowances
- Back to Education Initiative (BTEI) Training Allowances paid to Youthreach, STTC or VTOS eligible participants on a pro-rata basis.
- Vocational Education Committees’ Scholarship Scheme
- Fund for Students with Disabilities
- Student Assistance Fund
- Millennium Partnership Fund for Disadvantage

Department of Agriculture, Food and the Marine

- Farm Retirement Pensions
- Farm Retirement Workers Pensions

Education and Training Boards (ETBs)

- Non apprentice payments for trainees attending a course that is funded by Solas

Foreign Governments

- Social welfare-type payments received from another country.

Appendix B Exempt Income Sources

Section (TCA, 1997)	**Title**
42	Interest on savings certificates
118	Exemption from BIK – Travel Pass, new bicycle scheme
153	Distributions to certain non-residents
189	Payments in respect of personal injuries
189A	Special trust for permanently incapacitated
190	Haemophilia Trust
191	Hepatitis C
192	Thalidomide
192A	Exemption in respect of certain payment under employment law
192B	Foster Care Payment
193	Income from Scholarships
194	Child benefit
194A	Early Childcare Supplement
194B	Back to Work Family Dividend
195A	Exemption in respect of certain expense payments
196	Expenses of members of Judiciary
196A	State Employees: Foreign Service Allowance
196B	Employee of certain agencies: foreign service allowances
197	Bonus or interest paid under instalment savings schemes
198	Certain interest not to be chargeable
199	Interest on certain securities
200	Certain foreign pensions
201	Basic and increased exemptions in respect of tax under section 123 (Redundancy) including SCSB
203	Lump sum weekly payment or resettlement allowance paid under the Redundancy Payments Act, 1967
204	Military & other pensions, gratuities and allowances
204B	Compensation for certain living donors (donation for kidney transplant)
205	Veterans of war of independence
205A	Magdalen laundry payments
216A	Rent a Room relief
216B	Scéim na bhFoghlaimeoirí Gaeilge
216C	Childcare service relief
782A	Pre-retirement access to AVCs

Appendix C   Capital allowances for buildings

Deductible allowances

Type of building	Write-off period	Annual rate %	Notes
Factory, mill	25	4	
Dock undertaking	25	4	
Market gardening	10	10	
Intensive production of livestock	10	10	Outside of farming trade
Hotel	25	4	Previously 7 year write-off (up to 1 August 2008)
Tourist accommodation	25	4	holiday hostels, holiday camps, caravan parks, guest houses
Airport	10	10	
Farm building	7	15	
Farm pollution control	3	33⅓	EU Nitrates Directive Does not apply where expenditure incurred after 31 December 2010

Non-deductible allowances

Type of building	Write-off period	Annual rate %	Notes
Hotel	7	15	Now 25-year write-off (since 1 August 2008)
Holiday cottage	10	10	
Private hospitals	7	15	
Mental health centre	7	15	
Nursing home	7	15	
Nursing home residential unit	7	15	
Convalescent home	7	15	
Sports Injury Clinic	7	15	
Childcare facility	7	15	
Mid Shannon Tourism Infrastructure Scheme	7	15	

Appendix D Employer Tax Credit Certificate (P2C)

(Sample 2015 P2C – Cumulative Basis showing standard rates and thresholds)

In all correspondence please quote:

Notice No:
Registered No:

Enquires:

Certificate of Tax Credits and Cut-Off Points

FOR THE YEAR 1 JANUARY 2015 TO 31 DECEMBER 2015 AND FOLLOWING YEARS

Employees Name:

Employees Address:

Employees PPS No:

Staff/Personnel No:

All Tax Credits and Cut-Off Points (COP) refers to this employment only

Income Tax – Pay As You Earn

Exemption Case N

Yearly Tax Credits 3,300.00 Monthly Tax Credits 275.00 Weekly Tax Credits 63.47

Rates of Tax	
Tax Rate 1	20%
Tax Rate 2	40%

	Yearly COP	Monthly COP	Weekly COP
Tax Rate 1 Cut-Off Point	33,800.00	2,816.67	650.00

The following details of Pay and Tax deducted, from 1 January 2015, to date of commencement with your employment, should be taken into account when calculating current PAYE deductions.

Total Pay: 0.00 **Total Tax:** 0.00

Universal Social Charge (USC)

Exemption Case N

Rates of USC	
USC Rate 1	1.5%
USC Rate 2	3.5%
USC Rate 3	7%
USC Rate 4	8%

	Yearly COP	Monthly COP	Weekly COP
USC Rate 1 Cut-Off Point	12,012.00	1,001.00	231.00
USC Rate 2 Cut-Off Point	17,576.00	1,464.67	338.00
USC Rate 3 Cut-Off Point	70,044.00	5,837.00	1,347.00

The following details of Gross Pay for USC purposes and USC deducted, from 1 January 2015, to date of commencement with your employment, should be taken into account when calculating current USC deductions.

Total Gross Pay for USC purposes: 0.00 **Total USC Deducted:** 0.00

Local Property Tax (LPT)

Amount of LPT to be deducted: **€315.00**

General Notes

This certificate is effective from 1 January 2015 and cancels any previous issued certificates for the period stated. This certificate also includes information to assist with the calculation of the employee's USC calculations. For more information on USC, visit www.revenue.ie

Appendix E Form P45 Part 1

PLEASE COMPLETE THIS FORM IN CAPITAL LETTERS USING BLACK INK

P45 CERTIFICATE NO. T

INCOME TAX - PAY AS YOU EARN - CESSATION CERTIFICATE

Particulars of Employee Leaving

PART 1

Surname of Employee

Employee Address

First Name

PPS Number

Date of Birth D D M M Y Y

Payroll/Works No.

Employer Registered Number

Date of Cessation D D M M Y Y

Date of Commencement (if after 1 January) D D M M Y Y

Mark box ☒ if employee is deceased and state the name and address of the personal representative of the deceased employee, if known

Name

Address

Mark box ☒ if employee was on Week 1/Month 1 basis at Date of Cessation

Mark box ☒ if employee was on emergency basis at Date of Cessation

Mark box ☒ if employee was paid weekly or monthly Weekly Monthly Week/Month Number

PAYE

Weekly/Monthly Tax Credit

Weekly/Monthly Cut-Off Point

(a) Total Pay & Tax deducted from 1 January to Date of Cessation

Total Pay . 00

Total Tax Deducted (incl. cent)

(b) If employment started since 1 January enter Pay and Tax deducted (or Tax refunded) for this period of employment only

Pay (this employment) . 00

Tax Deducted or Tax Refunded

Mark box ☒ if the tax figure at (b) is a refund

(c) Amount of Taxable **LUMP SUM PAYMENT** on termination included in either pay figure above - if applicable . 00

(d) Total amount of taxable Illness Benefit included in pay figure above - if applicable . 00

USC

Weekly/Monthly USC Cut-Off Point 1

Weekly/Monthly USC Cut-Off Point 2

Weekly/Monthly USC Cut-Off Point 3

(e) **Total Gross Pay for USC purposes & USC deducted** from 1 January to Date of Cessation

Total Gross Pay for USC purposes . 00

Total USC Deducted

(f) If employment started since 1 January enter Gross Pay for USC purposes and USC deducted (or USC refunded) for this period of employment only

Gross Pay for USC purposes (this employment) . 00

USC Deducted or USC Refunded

Mark box ☒ if the USC figure at (f) is a refund

PRSI

PRSI - This Employment Only

Total PRSI

Employee's Share

Total number of weeks of insurable employment

Total number of weeks at Class A or Subclass 'A' in this period

PRSI Classes other than Class A or Subclass 'A' in this period

LPT

Total amount of Local Property Tax deducted in this period of employment - if applicable

I certify that the particulars entered above are correct.

Employer

Trade name if different

Address

Date D D M M Y Y

Phone Number

E-mail

RPC005515_EN_PR_P_1

Appendix F Form P60 (2014) Template

P60 **Certificate of Pay, Tax, Pay-Related Social Insurance, Universal Social Charge and Local Property Tax Year Ended 31 Dec.**

Name of Employee	**Payroll/Works No.**
PPS No.	(if applicable)
Tax Credit €	**Rate Band €**
USC Rate Band 1 €	**USC Rate Band 2 €**

'1' indicates that temporary basis applied
'2' indicates that emergency basis applied } at 31 Dec. ☐

Enter 'D' if employee was a director. ☐

Enter 'X' if there were 53 pay days in the year. ☐

Enter 'W' if week 1/month 1 applied. ☐

Date of commencement of employment.

(A) PAY €

1. Total pay (i.e. gross pay less any superannuation contributions allowable for income tax purposes) in above year including pay in respect of previous employment(s), and taxable Illness Benefit, if any.
2. Pay in respect of previous employment(s), if any, in above year.
3. Pay in respect of this period of employment (i.e. gross pay less any superannuation contributions allowable for income tax purposes), including taxable Illness Benefit, if any. **Use this figure in PAYE Anytime.**
4. Total amount of taxable Illness Benefit included in the above pay figure.

(B) TAX €

1. Total net tax deducted in above year (including tax deducted by previous employer(s), if any).
2. Tax in respect of previous employment(s), if any, in above year.
3. Net tax deducted (D)/refunded (R) ☐ in this employment. **Use this figure in PAYE Anytime.**

(C) Local Property Tax (LPT) €

LPT deducted in this period of employment, if applicable.

(D) Pay for Universal Social Charge (USC) purposes €

1. Total pay for USC purposes in above year, including pay for USC purposes in respect of previous employment(s), if any.
2. Pay for USC purposes in respect of previous employment(s), if any, in the above year.
3. Pay for USC purposes in respect of this period of employment. **Use this figure in PAYE Anytime.**

(E) USC Deducted €

1. Total USC deducted in above year, including USC deducted by previous employer(s), if any.
2. USC in respect of previous employment(s), if any, in above year.
3. Net USC deducted (D)/refunded (R) ☐ in this employment. **Use this figure in PAYE Anytime.**

(F) PRSI in this employment €

1. Gross pay for employee PRSI purposes.
2. Employee's PRSI.
3. Total (employer + employee) PRSI.
4. Total number of weeks insurable employment.
5. Initial social insurance contribution class.
6. Subsequent social insurance contribution class.
7. Number of weeks at the class entered at 5 above.

I/We certify that the particulars given above in respect of Pay, Tax, PRSI, USC and LPT are correct in respect of this employment.

Employer's Name	**Employer's PAYE Regd. No.**
Employer's Phone Number	**Date**

TO THE EMPLOYEE: **THIS IS A VALUABLE DOCUMENT**

You should retain this document carefully as evidence of tax, PRSI, Universal Social Charge and LPT deducted.
Note: There is a **four-year time limit** on claiming refunds of tax or Universal Social Charge.
You may also require this document as evidence if you claim social welfare benefits within the next two years.

Appendix G LoCall phone numbers for PAYE employees

Employees' PAYE affairs are dealt with in the region in which they live:

Border Midlands West Region Cavan, Monaghan, Donegal, Mayo, Galway, Leitrim, Longford, Louth, Offaly, Roscommon, Sligo, Westmeath.	**1890 77 74 25**
Dublin Region Dublin (City and County).	**1890 33 34 25**
East & South East Region Carlow, Kildare, Kilkenny, Laois, Meath, Tipperary, Waterford, Wexford, Wicklow.	**1890 44 44 25**
South West Region Clare, Cork, Kerry, Limerick.	**1890 22 24 25**

The rates charged for the use of 1890 (LoCall) numbers may vary among different service providers.

If calling from outside the Republic of Ireland PAYE employees can phone: + 353 1 70 23 011