

The background of the top half of the page features a close-up, slightly blurred image of several Euro banknotes (100, 50, and 20 Euro) and a black calculator with a yellow 'C' button. The calculator has various function keys like '%', 'GT', 'Local', 'TAX-', 'TAX+', 'MRC', 'M-', 'M+', and 'EURO & TAX'.

Pay Related Social Insurance (PRSI) Contribution Rates and User Guide

2023



An Roinn Coimirce Sóisialaí
Department of Social Protection

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Introduction

Pay Related Social Insurance (PRSI) contributions are paid into the Social Insurance Fund (SIF) which helps pay for benefits and pensions.

Most employers and employees, aged between 16 years and the pension age which is currently 66, pay PRSI contributions into the SIF.

Self-employed contributors, including certain company directors, members of a local authority and certain people with income from investments or rents are also liable for PRSI.

In general, the payment of PRSI is compulsory. The term 'insurable employment' is used to describe employment that is liable for PRSI contributions. Some people who have unearned income are also liable for PRSI on that income.

PRSI Contribution Classes

PRSI contributions are divided into different categories, known as 'PRSI classes'. This determines the rate of PRSI you are liable to pay, or your 'rate of contribution'.

The class and rate of contribution you pay is determined by the nature of your employment and your weekly earnings.

The class of PRSI you pay determines the social welfare benefits for which you may qualify. The range of benefits includes for example the State Pension Contributory, Jobseeker's Benefit and Illness Benefit. An entitlement to a benefit is dependent on a person meeting specific criteria.

Further details of PRSI classes, rates of contribution and benefits payable can be found at www.gov.ie/prsi.

Pay Related Social Insurance (PRSI) Credit

Employees

A tapering Pay Related Social Insurance (PRSI) Credit exists for Class A and Class H employees earning between €352.01 and €424 a week. The PRSI Credit reduces the amount of PRSI charged a week.

The amount of PRSI Credit depends on gross weekly earnings. At gross weekly earnings of €352.01 the maximum PRSI Credit of €12 per week applies. For earnings between €352.01 and €424, the maximum weekly PRSI Credit of €12 is reduced by one sixth of earnings in excess of €352.01. Once earnings exceed €424 the PRSI credit no longer applies.

How to calculate the PRSI Charge for Classes A and H

- Class A employee PRSI is calculated at 4% of gross weekly earnings.
- Class H PRSI is calculated at 3.9% of gross weekly earnings.
- For gross earnings between €352.01 and €424 a week, the employee PRSI charge is reduced by the PRSI Credit.
- The amount of the PRSI Credit depends on your gross weekly earnings.
- At gross weekly earnings of €352.01, the maximum PRSI Credit of €12 a week applies.
- For earnings between €352.01 and €424, sub-class AX, the maximum weekly PRSI Credit of €12 is reduced by one-sixth of earnings in excess of €352.01.
- The following example shows how to calculate the PRSI Credit and the new PRSI charge for gross weekly earnings of €377.

PRSI Credit:

Maximum PRSI Credit	€12.00
One-sixth of earnings in excess of €352.01	
$(377.00 - 352.01 = 24.99/6)$	(€4.17)
Reduced PRSI Credit	€7.83
Calculate the PRSI @ 4%	€15.08
Deduct the reduced PRSI Credit on €377 from the 4% PRSI charge	€7.83
2023 Weekly PRSI Charge	€7.25

To calculate the PRSI charge for Class H, follow the steps above replacing 4% with 3.9%.

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

PRSI Calculations

For illustrative purposes only, the following table sets out the PRSI charge for Class A employees at €5 intervals for gross weekly earnings between €352.01 and €424.

Class A PRSI charge for gross earnings between €352.01 and €424.

	Calculate PRSI Credit				PRSI at 4%	PRSI charge
Gross weekly earnings (€)	Gross earnings in excess of €352.01 (€)	One-sixth of gross earnings in excess of €352.01 (€)	Maximum PRSI Credit (€)	PRSI Credit (€)	Class A PRSI at 4% (€)	PRSI charge (4% charge less PRSI Credit) (€)
	A	B (A/6)	C	D (C-B)	E	E-D
352.01	0.00	0.00	12.00	12.00	14.08	2.08
355.00	2.99	0.50	12.00	11.50	14.20	2.70
360.00	7.99	1.33	12.00	10.67	14.40	3.73
365.00	12.99	2.17	12.00	9.84	14.60	4.77
370.00	17.99	3.00	12.00	9.00	14.80	5.80
375.00	22.99	3.83	12.00	8.17	15.00	6.83
380.00	27.99	4.67	12.00	7.34	15.20	7.87
385.00	32.99	5.50	12.00	6.50	15.40	8.90
390.00	37.99	6.33	12.00	5.67	15.60	9.93
395.00	42.99	7.17	12.00	4.84	15.80	10.97
400.00	47.99	8.00	12.00	4.00	16.00	12.00
405.00	52.99	8.83	12.00	3.17	16.20	13.03
410.00	57.99	9.67	12.00	2.34	16.40	14.07
415.00	62.99	10.50	12.00	1.50	16.60	15.10
420.00	67.99	11.33	12.00	0.67	16.80	16.13
424.00	71.99	12.00	12.00	0.00	16.96	16.96

PRSI Classes

Private and public sector employments

Class A

This covers persons under 66 years of age in industrial, commercial and service-type employments who are employed under a contract of service who have reckonable pay of €38 or more a week from all employments as well as public and civil servants recruited from 6 April 1995.

Weekly pay is an employee's pay plus notional pay (if applicable).

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
AO	€38 - €352 inclusive	All	Nil	8.80%
AX	€352.01 - €424 inclusive	All	4.00%	8.80%
AL	€424.01 - €441 inclusive	All	4.00%	8.80%
A1	More than €411	All	4.00%	11.05%

Share-based remuneration may in certain circumstances be subject to employee's PRSI. Employer's PRSI is not chargeable on share-based remuneration.

PRSI Credit applies to sub-class AX.

Community Employment participants

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
A8	Up to €352 inclusive	All	Nil	0.50%
A9	More than €352	All	4.00%	0.50%

PRSI Credit applies on earnings up to €424.

Public sector employments

Class B

This covers permanent and pensionable civil servants, registered doctors and dentists employed in the civil service and Gardaí recruited prior to 6 April 1995.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
BO	Up to €352 inclusive	All	Nil	2.01%
BX	€352.01 - €500 inclusive	All	0.90%	2.01%
B1	More than €500	First €1,443	0.90%	2.01%
		Balance	4.00%	2.01%

Class C

This covers commissioned officers of the Defence Forces and members of the Army Nursing Service recruited before 6 April 1995.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
CO	Up to €352 inclusive	All	Nil	1.85%
CX	€352.01 - €500 inclusive	All	0.90%	1.85%
C1	More than €500	First €1,443	0.90%	1.85%
		Balance	4.00%	1.85%

Class D

This covers permanent and pensionable employees in the public service, other than those mentioned in Classes B and C, recruited before 6 April 1995.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
DO	Up to €352 inclusive	All	Nil	2.35%
DX	€352.01 - €500 inclusive	All	0.90%	2.35%
D1	More than €500	First €1,443	0.90%	2.35%
		Balance	4.00%	2.35%

Private sector employments

Class E

This relates to Ministers of Religion employed by the Church of Ireland Representative Body. PRSI is paid under the Social Collection System of the Department of Social Protection.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
EO	Up to €352 inclusive	All	Nil	6.87%
E1	More than €352*	All	3.33%	6.87%

*A tapered employee PRSI Credit of €10 per week applies on earnings up to €412.

Public sector employments

Class H

This covers NCOs and enlisted personnel of the Defence Forces.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
HO	Up to €352 inclusive	All	Nil	10.35%
HX*	€352.01 - €424 inclusive	All	3.90%	10.35%
H1	More than €424	All	3.90%	10.35%

*A tapered PRSI credit applied to subclass HX.

Private sector employments

Class J

This relates to most people with reckonable pay of less than €38 a week from all employments. However, a small number of employees are insurable at Class J no matter how much they earn. For example, employees of pensionable age, currently 66 or over, or people in subsidiary employment.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
JO	Up to €500 inclusive	All	Nil	0.50%
J1	More than €500	All	Nil	0.50%

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

Class K

Certain public office holders pay PRSI at a rate of 4%, where their income is over €5,200 a year. They should be returned at Class K. Public office holders with weekly income of €100 or less should be returned at Class M. Class K may also apply in other circumstances, see Summary of PRSI Classes below for details.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
Record under Class M	Up to €100 inclusive	All	Nil	Nil
K1	More than €100	All	4.00%	Nil

Class M

Class M relates to people with a nil contribution liability. For example, persons under age 16, persons of pensionable age (currently 66 or over) including those previously liable for Class S, persons in receipt of occupational pensions or lump-sum termination payments (on that part of the income only), and people within Class K with no contribution liability.

Subclass	Weekly pay band	How much of weekly pay	All income	
			Employee	Employer
M	All income	All	Nil	Nil

Fishermen and Fisherwomen

Class P

This relates to share fishermen and fisherwomen who are classified as self-employed and who already pay PRSI under Class S. Class P is an optional contribution and gives access to limited jobseeker's benefit, limited illness benefit and treatment benefit. The contribution is over and above the PRSI paid under Class S. The minimum annual contribution for Class P is €200 or 4% of all income in excess of €2500, whichever is the greater amount.

Subclass	How much of annual pay	All income
P (optional)	First €2,500 a year	Nil
	More than €2,500 a year	4.00%

Self-employed

Class S

This relates to self-employed people, including certain company directors, certain people with income from investments, rent and certain local authority members. The minimum annual contribution for Class S is €500.

Subclass	Weekly pay band	How much of weekly pay	All income from Self-Employment
SO	Up to €500 inclusive	All	4.00%
S1	More than €500	All	4.00%

Earnings bands and subclasses

Subclass	Weekly pay band	Fortnightly pay band	Monthly pay band
AO	€38 to €352	€76* to €704	€165* to €1,525
AX**	€352.01 to €424	€704.01 to €848	€1,525.01 to €1,837
AL	€424.01 to €441	€848.01 to €882	€1,837.01 to €1,911
A1	More than €441	More than €882	More than €1,911
A8	Up to €352	Up to €704	Up to €1,525
A9**	More than €352	More than €704	Up to €1,525
BO	Up to €352	Up to €704	Up to €1,525
BX	€352.01 to €500	€704.01 to €1,000	€1,525.01 to €2,167
B1	More than €500	More than €1,000	More than €2,167
CO	Up to €352	Up to €704	Up to €1,525
CX	€352.01 to €500	€704.01 to €1,000	€1,525.01 to €2,167
C1	More than €500	More than €1,000	More than €2,167
DO	Up to €352	Up to €704	Up to €1,525
DX	€352.01 to €500	€704.01 to €1,000	€1,525.01 to €2,167
D1	More than €500	More than €1,000	More than €2,167
EO	Up to €352	Up to €704	Up to €1,525
E1**	€352.01 to €500	More than €704	More than €1,525
HO	Up to €352	Up to €704	Up to €1,525
HX**	€352.01 to €424	€704.01 to €848	€1,525.01 to €1,837
H1	More than €424	More than €848	More than €1,837
JO	Up to €500	Up to €1,000	Up to €2,167
J1	More than €500	More than €1,000	More than €2,167
K1	More than €100	More than €200	More than €433
M	All income	All income	All income
P	More than €48	More than €96	More than €208
SO	Up to €500	Up to €1,000	Up to €2,167
S1	More than €500	More than €1,000	More than €2,167

* This threshold only applies to Class A employees whose total earnings in each week of the fortnight or month are at least €38.

** PRSI Credit applies.

Subclasses A8 and A9 are only used for Community Employment (CE) participants. For further information contact your local Intreo Centre.

Summary of PRSI classes

Class A employment

- The pay or income threshold to determine whether employees pay PRSI at Class A or J remains at €38.
- Employees paid €38 to €352 inclusive in a week should be recorded under subclass AO.
- For gross earnings between €352.01 and €424, the amount of the PRSI charged at 4% is reduced by a tapered weekly PRSI Credit. See page 4 for further details.
- **From 1 January 2023** the €410 threshold increased to €424. Employees paid €352.01 to €424 inclusive in a week should be recorded under subclass AX.
- **From 1 January 2023** the €424 threshold increased to €441. Employees paid €424.01 to €441 inclusive in a week should be recorded under subclass AL.
- Community Employment and Jobs Initiative supervisors and employees on apprenticeship schemes are insurable at Class A in the normal way.

Class J employment

The Class J contribution normally relates to people paid less than €38 per week from all employments. However, a small number of employees are insurable at Class J **no matter how much they are paid**. For example, employees of pensionable age, currently 66 years or over and some people in subsidiary employment.

Subsidiary employments

Subsidiary employment, which is insurable at Class J regardless of earnings, is defined in legislation.

PRSI for the self-employed

Self-employed people, other than self-employed company directors, must register with the Revenue Commissioners for PRSI purposes. Under the self-assessment system, PRSI is paid to the local tax office together with any other payment due. Self-employed company directors pay their PRSI under the PAYE system.

Class K contributions

Modified rate contributors, for example civil and public servants recruited prior to 6 April 1995, with self-employed earned income from a profession or a trade and any other unearned income are liable to PRSI at Class K on that income. Employed contributors and occupational pensioners, under pensionable age, currently 66 years, whose only additional income is unearned income may be liable to PRSI on such income at Class K.

Minimum and flat rate self-employed payments

- Self-employed contributors with annual income of €5,000 or over pay Class S PRSI at the rate of 4%, subject to a minimum payment of €500.
- Those who are no longer covered by compulsory PRSI, either as an employee or as a self-employed person, and are under pensionable age, currently 66 years, may opt to become insured on a voluntary basis if they satisfy certain conditions. The amount of a voluntary contribution in any contribution year is calculated as a percentage of reckonable income, subject to a minimum annual payment.
- The minimum annual rate for persons who last paid PRSI at Classes A, E or H is €500. The minimum annual rate for persons who last paid PRSI at Classes B, C or D is €250. There is a flat rate of €500 for persons who last paid PRSI at Class S.

For more information, contact **Client Eligibility Services** on (01) 471 5898

For more information visit www.gov.ie/volcon.

Important information

Components of the PRSI contribution

The Pay Related Social Insurance (PRSI) contribution is made up of a number of different components including:

- Social insurance at the appropriate percentage rate for employees and employers, which varies according to the pay and PRSI Class of the employee and benefits for which they are insured.
- The 1% National Training Fund Levy, included in the employer's contribution in Classes A and H.

Levels of payment

PRSI contributions will be payable as follows:

- At the appropriate percentage rates for employees on **all** reckonable earnings.
- On **all** reckonable pay, the employer's share (social insurance and the 1% National Training Fund Levy in classes A and H) is due.
- Class S, social insurance at 4.00% on **all** reckonable income.

The National Training Fund Levy is included in the contribution rates outlined on pages 6 to 11 where applicable.

Reckonable pay

PRSI is calculated on the employee's reckonable pay. Reckonable pay is the gross pay plus notional pay or benefit in kind if applicable.

- The net value of share-based remuneration is to be treated as notional pay for the purposes of calculating Employee PRSI only.
- Employee PRSI only is payable on share-based remuneration. There is no Employer PRSI chargeable on gains from share-based remuneration.
- The obligation to deduct and remit PRSI in respect of share-based remuneration generally rests with the employer. Accordingly the PRSI payable should be deducted by the employer through payroll along with other PRSI liabilities and remitted to the Collector-General.
- Different arrangements may apply in the case of PRSI on gains from the exercise of certain share options.

More detailed information on the treatment of share-based remuneration for PRSI purposes is available by visiting www.gov.ie/prsi and www.revenue.ie/benefit-in-kind.

PRSI is fully chargeable on payments by private sector employees in respect of:

- Superannuation contributions.
- Permanent health benefit schemes, including income continuance schemes.
- Revenue approved schemes established under irrevocable trusts, overseas pension schemes and other Revenue exempt approved schemes.
- Personal Retirement Savings Accounts.
- Deductions in respect of Revenue approved retirement funds.

Civil and Public Service employers do not pay Employer PRSI on the Additional Superannuation Contribution, previously known as the pension levy. Employee PRSI is chargeable.

PRSI contribution weeks

A contribution week is each successive period of seven days starting on 1 January each year. Week 1 is the period from 1 to 7 January inclusive, week 2 from 8 to 14 January and so on. **For 2023, the contribution week starts on a Sunday and ends on a Saturday.**

A contribution at the appropriate class should be awarded to an employee for each contribution week or part of one for which they are in insurable employment.

Voluntary contributions

People who were insured at Classes A, B, C, D, H or S and who are no longer insurably employed may opt to pay Voluntary Contributions to provide cover for their pensions.

Applications must be made within 60 months from the end of the PRSI contribution year in which a PRSI contribution was last paid or credited. For more information on voluntary contributions, visit www.gov.ie/volcon or contact:

Voluntary Contributions Section

Client Eligibility Services
Department of Social Protection
Social Welfare Services Office
Cork Road
Waterford
Telephone: **(01) 471 5898**

If calling from outside of Ireland please call +353 1 471 5898.

Holiday pay

If you pay an employee for a period of more than a week, it is important to determine the subclass correctly for each week.

Example: An employee receives two weeks holiday pay with a current week's wages. To determine the correct PRSI subclass, calculate the pay for each week and record the contributions accordingly. This arrangement also applies when an employer pays holiday pay when an employee leaves the employment.

Sick pay

Whether your employer pays you or not while you are out sick from work, you should claim Illness Benefit from the first day of your illness. If you get sick pay from your employer, you should ask your employer what administrative arrangements are in place while you are claiming Illness Benefit or Injury Benefit. The claim process allows a person to indicate that payment can issue directly to the employer if this is appropriate.

Taxation of Illness Benefit, Jobseeker's Benefit and Pandemic Unemployment Payment

Illness Benefit (IB), Jobseeker's Benefit (JB) and the Pandemic Unemployment Payment (PUP) are considered as income for tax purposes and are taxed from the first day of payment, with the exception of non-taxable payments for qualified children on IB and JB. There are no increases for qualified children on PUP.

Revenue collect any tax due on these payments by reducing the employee's tax credits and rate bands by the amount of the IB, JB and PUP received. These payments are not liable to Universal Social Charge (USC) or PRSI. The employee's USC rate bands will not be amended.

The payments are taxable in real-time. Revenue will collect any tax due on these payments by reducing the employee's tax credits and rate bands by the amount of the payment received and upon return to employment a revised Revenue Payroll Notification (RPN) will issue to employers.

Maternity Benefit, Paternity Benefit, Parent's Benefit, Adoptive Benefit and Health and Safety Benefit

Maternity Benefit, Paternity Benefit, Parent's Benefit, Adoptive Benefit and Health and Safety Benefit payments are taxable in full. These benefits are exempt from USC and PRSI.

Individuals who pay their tax through the PAYE system will, where possible, automatically have their annual tax credits and rate bands reduced by the amount of these payments. Revenue will receive details of the benefit from the Department of Social Protection. Employers will be advised by the Revenue Commissioners of the adjusted tax credits and rate bands through the issue of a revised Revenue Payroll Notification (RPN).

If you have any enquiries about taxation of social welfare benefits, contact **your local tax office** or visit www.revenue.ie/taxation-of-social-welfare-payments.aspx.

Lump sum payments

Lump sum payments made to employees when they leave employment are not regarded as reckonable pay for PRSI purposes and should be recorded under Class M. These include redundancy, gratuities and ex-gratia payments.

Maintenance payments

A separated person may claim a refund of PRSI on legally enforceable maintenance payments made to their ex-spouse or partner. The PRSI due will be re-calculated on the reckonable pay or income reduced by the amount of maintenance payment. Any excess PRSI paid will be returned by claiming a refund after year end from the **PRSI Refunds Section**, Department of Social Protection, Gandon House, Amiens Street, Dublin 1, D01 A361. Telephone: **(01) 673 2586**.

Personal Public Service (PPS) Number

If you need assistance in tracing the Personal Public Service (PPS) Number for your employees, please have them contact **Client Identity Services** on **(01) 704 3281**.

Recording of contributions

For the year 2013 and subsequent years, the gross pay for each employee should include any taxable benefit (notional pay) received by that employee during the year. In addition, the total amount of taxable benefits in the year for **all** employees should be recorded.

Local Authority Members

Since 1 January 2017 local authority members pay PRSI at Class S. This entitles them to the full range of Class S benefits. Local authority members who are modified rate contributors will continue to pay Class K on their local authority income, while those who are of pensionable age, currently 66 or over will not pay a PRSI contribution.

If you need help

Further information on PRSI Rates is available, including a range of information for employers, on our website at www.gov.ie/SWRates.

Pensions Reminder

If you have employees approaching retirement age it is important that they apply on time for their pension: three months prior to reaching pensionable age.

A person may continue working after age 66 and also get this pension from the Department of Social Protection. On reaching age 66 an employee is liable for PRSI at Class J only.

Self-employed people who pay Class S PRSI contributions can also continue to work and qualify for this payment provided that their social insurance liabilities are in order. People who are liable for Class S PRSI contributions and who are approaching age 66 should check with their local Revenue Office to ensure their tax affairs are in order to avoid delays.

How to apply

Application forms are available from your local Intreo Centre, Social Welfare Office, any Citizens Information Centre or Post Office.

They are also available to download from our website at www.gov.ie/spc.

Taxation

State Pension (Contributory) is liable to tax and any queries in relation to the taxation of this payment should be made to your local Revenue Office.

www.gov.ie/dsp

Produced by

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Dublin 1
D01 WY03

For more information

- Visit www.gov.ie/dsp; or
- Contact your local Intreo Centre, Social Welfare Office or any Citizens Information Centre.

You can find the name and address of your local Intreo Centre or Social Welfare Office by visiting www.gov.ie/intreocentres.