



Our reference: 2018-3(a)

26 September 2018

Mr Pearse Doherty, TD  
Leinster House  
Kildare Street  
Dublin, D02 A272

Dear Deputy,

I refer to Sinn Féin's first request to the Department for Budget 2019 costings (submitted to us on the 30<sup>th</sup> of July, 2018). I am pleased to enclose the three outstanding responses to the costings sought. These have been supplied by the Department of Employment Affairs and Social Protection.

Please note that the costing exercise did not examine the interaction of individual measures with other tax and/or expenditure measures.

No account has been taken of the second round impact of measures proposed, such as their positive or negative impact on economic growth, job creation, inflation or their impact on tax buoyancy.

It should be borne in mind that under the preventive arm of the Stability and Growth Pact, until Ireland has reached its objective of a balanced budget in structural terms, we may not introduce discretionary revenue reductions, over and above the available fiscal space permitted under the expenditure benchmark, unless they are matched by other revenue increases or expenditure reductions. Accordingly, public expenditure increases may have to be offset elsewhere.

The costings, including those provided by or in conjunction with other Departments, are provided on the basis that at no time will the Department be represented as endorsing the proposals costed. Equally, the Department will not comment on the merits or otherwise of those proposals. Where caveats or assumptions have been made in this response, the Departments' positions on such issues must be accurately, fully and fairly represented.

The Freedom of Information Act 2014 does not provide for an exemption for the costings of political parties proposals. Costings prepared by the Department in the context of the Budget will be treated in the same manner as all other pre-Budget submissions/requests. As is normal practice, the Department will publish the responses issued to these requests on its website, redacting on the basis of the

Freedom of Information exemptions as appropriate. Costings prepared in the context of general elections or Programmes for Government will also be dealt with in accordance with relevant provisions of the Act.

If you have any queries on any of the above matters or costings, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Derek Moran', is written over a horizontal line.

Derek Moran

Secretary General

## POLITICAL PARTY PRSI COSTINGS NO. 1/18

Please note that the revenue that would be raised for each of the below requests would be ring-fenced and raised for the Social Insurance Fund rather than for the Exchequer.

### Introduction

1. The revenue that would be raised for the Exchequer by introducing a new employers' rate of Pay Related Social Insurance of, of 12.75%, 13.75% and 14.75%, and 15.75% on the portion of salary paid in excess of €100,000 per annum.
  2. The revenue that would be raised through a 0.5%, 1% and 5% increase in the higher rate of employer's PRSI on those employed on salaries of €100,000, €90,000, €80,000 and €70,000.
  3. The revenue that would be raised through a 0.5%, 1% and 5% increase in the lower rate of employer's PRSI on those employed on salaries of €100,000, €90,000, €80,000 and €70,000.
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1. The revenue that would be raised for the Exchequer by introducing a new employers' rate of Pay Related Social Insurance of, of 12.75%, 13.75% and 14.75%, and 15.75% on the portion of salary paid in excess of €100,000 per annum.

Employer Rate on salary over €100k (€1,923per week)	Increased Revenue
12.75%	€178.13m
13.75%	€244.1m
14.75%	€310.1m
15.75%	€376.04m

Employments Affected	242,959
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2. The revenue that would be raised through a 0.5%, 1% and 5% increase in the higher rate of employer's PRSI on those employed on salaries of €100,000, €90,000, €80,000 and €70,000.

<b>Employer Rate on all salary for employments with weekly income over threshold ;</b>	<b>10.55% Increased Revenue</b>	<b>11.05% Increased Revenue</b>	<b>15.05% Increased Revenue</b>	<b>Employments Affected</b>
<b>€1,346 (€70k)</b>	€127.8m	€255.6m	€1,277.9m	425,373
<b>€1,539 (€80k)</b>	€105.3m	€210.5m	€1,052.5m	340,630
<b>€1,731 (€90k)</b>	€88.1m	€176.3m	€881.4m	282,676
<b>€1,923 (€100k)</b>	€75.8m	€151.6m	€758.0m	242,959

3. The revenue that would be raised through a 0.5%, 1% and 5% increase in the lower rate of employer's PRSI on those employed on salaries of €100,000, €90,000, €80,000 and €70,000.

As the higher employer's rate is applied on all income once the weekly income reaches €376, changing the lower rate will not affect salaries of €100,000, €90,000, €80,000 and €70,000.