

# Advance Notice for 2019

## PRSI changes announced in Budget 2019



An Roinn Gnóthaí Fostaíochta  
agus Coimirce Sóisialaí  
Department of Employment Affairs  
and Social Protection

### Employee PRSI

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

### Self-employed Payments

- There are no changes to the rate of self-employed PRSI or in the minimum/flat rate self-employed PRSI payments.
- The self-employed will gain access to Jobseeker's Benefit from Quarter 4, 2019.

### Employer PRSI

- The National Training Fund Levy (NTFL), collected alongside Employer PRSI for Classes A and H, will increase by 0.1% from 0.8% to 0.9% from 1 January 2019. This means that Employer rates (combined PRSI and NTFL) for Classes A and H will increase by 0.1%.
- The upper threshold for paying the 8.7% Class A rate of employer's PRSI increases from €376 to €386 a week.

### Other PRSI Classes

- There are no changes to other PRSI Classes.

## Income bands and subclasses

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

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

Subclass	AX (PRSI credit applies)
Weekly	€352.01 to €386
Fortnightly	€704.01 to €772
Monthly	€1,525.01 to €1,673

Subclass	AL (PRSI credit applies)
Weekly	€386.01 to €424
Fortnightly	€772.01 to €848
Monthly	€1,673.01 to €1,837

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

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

<b>Subclass</b>	<b>A1</b>
<b>Weekly</b>	more than €424
<b>Fortnightly</b>	more than €848
<b>Monthly</b>	more than €1,837

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

<b>Subclass</b>	<b>K1</b>
<b>Weekly</b>	more than €100
<b>Fortnightly</b>	more than €200
<b>Monthly</b>	more than €433

## PRSI contribution rates from 1 January 2019

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

Up to €37.99	JO	All	0	0.50	0.50
€38 - €352	AO	All	0	8.70	8.70
€352.01 - €386	AX	All	4.00	8.70	12.70
€386.01 - €424	AL	All	4.00	10.95	14.95
More than €424	A1	All	4.00	10.95	14.95

**PRSI credit applies to sub-classes AX and AL.**

Use the following subclasses for Community Employment participants.

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

**PRSI credit applies on earnings up to €424.**

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

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

### Office Holders

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

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

### Occupational Pensions

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

## PRSI contribution rates from 1 January 2019

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

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

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

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

Up to €352	<b>HO</b>	All	0	10.25	10.25
€352.01 - €424	<b>HX</b>	All	3.90	10.25	14.15
More than €424	<b>H1</b>	All	3.90	10.25	14.15

**PRSI Credit applies to sub-class HX.**

### Self-employed (on PAYE system only)

Up to €500	<b>SO</b>	All	4.00	0	4.00
More than €500	<b>S1</b>	All	4.00	0	4.00

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

## Important points to note

- Under Classes A and H, employers pay a combined PRSI charge and contribution to the National Training Fund Levy (NTFL). The current NTFL contribution for both Class A and Class H employers is 0.8%. The balance of the employer charge is PRSI. With effect from 1 January 2019, the NTFL contribution for both Classes A and H will increase by 0.1% from 0.8% to 0.9%. There is no increase in the Employer PRSI charge. This will, however, result in a 0.1% increase in the rates payable by employers with employees subject to PRSI Classes A and H, as follows:

### Class A Employer Rate

Weekly Income Band	Old Employer Rate	New Employer Rate
€38 to €386	8.6%	8.7%
In excess of €386	10.85%	10.95%

### Class H Employer Rate

Weekly Income Band	Old Employer Rate	New Employer Rate
All Income	10.15%	10.25%

- For Class A and Class H employees with gross earnings between €352.01 and €424, the amount of the PRSI charge at 4% is reduced by the tapered weekly PRSI Credit.
- There is no annual earnings ceiling for PRSI for employees.
- There is no PRSI relief on pension contributions made by private sector employees.
- PRSI relief on pension contributions paid by private sector employers remains unchanged.
- Civil and public servants will pay PRSI on the 'Pension levy' (the new Additional Superannuation Contribution which replaces the Pension Related Deduction from 1 January 2019) portion of their salaries.
- Civil and public service employers do not have to pay any employer PRSI on the 'Pension levy' (the new Additional Superannuation Contribution which replaces the Pension Related Deduction from 1 January 2019).
- Employer and employee PRSI should be added together as normal. If a different subclass applies to the employee and to the employer, the return must always be made at the employee's subclass.
- Class A employees earning between €38 and €352 inclusive a week should be recorded under Subclass AO.
- Class A employees earning between €352.01 and €386 a week should be recorded under Subclass AX and the tapered PRSI credit applied.
- Class A employees earning between €386.01 and €424 a week should be recorded under Subclass AL and the tapered PRSI credit applied.
- For income of more than €424 a week, subclass A1 should be returned.
- For income of more than €500 a week, subclasses B1, C1, D1, H1, J1 and S1, as appropriate, should be returned.
- Community Employment participants earning €352 or less a week should be recorded under Subclass A8. Subclass A9 applies when earnings are more than €352 a week. The PRSI Credit applies to Class A9 for earnings up to €424.
- The Class J contribution normally relates to people with reckonable earnings of less than €38 a week (from all jobs). However, a small number of employees are insurable at Class J, regardless of earnings - for example, employees over age 66 and people in subsidiary employment.
- For participants in the JobsPlus scheme the appropriate rates of PRSI apply to both the employer and the employee.
- Subclasses A4, A6 and A7 which were previously used for the Employer's PRSI Exemption Scheme are no longer in use as the scheme was closed to new entrants since 1 July 2013.

**You can download PRSI information booklets from our website at [www.welfare.ie](http://www.welfare.ie).**

## Calculation of the Class A PRSI Credit

- Class A employee PRSI is calculated at 4% of gross weekly earnings.
- For gross earnings between €352.01 and €424 in a week, the 4% PRSI charge is reduced by the PRSI Credit.
- The amount of the PRSI Credit depends on your gross weekly earnings.
- At gross weekly earnings of €352.01, the maximum PRSI Credit of €12.00 per week applies.
- For earnings between €352.01 and €424 (sub-classes AX and AL), the maximum weekly PRSI Credit of €12.00, is reduced by one-sixth of earnings in excess of €352.01.
- The following example shows how to calculate the PRSI Credit and the new PRSI charge, for gross weekly earnings of €377.

### **PRSI Credit:**

Maximum PRSI Credit	€12.00
One-sixth of earnings in excess of €352.01 (377.00 – 352.01 = 24.99 / 6)	(€ 4.17)
Reduced PRSI Credit	€ 7.83
PRSI @ 4%	€15.08
Less: Reduced PRSI Credit	€ 7.83
<b>2019 weekly PRSI Charge</b>	<b>€ 7.25</b>

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

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

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

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

