

Introduction

Domestic employers who satisfy certain conditions need not operate PAYE on payments to a domestic employee. This leaflet outlines the conditions attaching to the scheme.

Does this scheme apply to me?

If you employ a person in your home and you:

- are an individual (companies, clubs, organisations, etc. do not qualify),
- have only one domestic employee who is employed solely on domestic duties in your home - this includes child-minding,
- pay less than €40 a week to that employee,

you do not have to operate PAYE on the payments to the employee. However, you do have to pay employer's PRSI.

If you pay €40 or more a week to the domestic employee you must register as an employer and operate PAYE/PRSI in the normal way.

What are the tax implications for my employee?

The pay to the domestic employee continues to be taxable and the employee must return this income on tax returns, etc. If your employee has any questions as to how to pay this tax you should ask him/her to contact his/her local Revenue office.

What PRSI is payable?

If you come within this scheme you will normally pay PRSI at a rate of 0.5% of gross pay (Class J) to cover Occupational Injuries Benefit.

You should pay the PRSI directly to the Department of Social and Family Affairs in a **single annual payment** at the end of the tax year i.e. after 31st December. A form to calculate the payment is attached.

The employee is not liable for PRSI where his/her total earnings are less than the weekly threshold (€352 per week in 2008).

Is the Health Contribution payable?

Employees earning less than the weekly threshold (€500 per week in 2008) are not liable to pay the health contribution.

How do I register as a Domestic Employer?

If earnings are less than €40 per week simply complete the attached registration form and return it to the Department of Social and Family Affairs at the address shown.

If earnings are more than €40 per week you must register as an employer at your local Tax office and operate PAYE/PRSI in the normal way.

What do I do if I am already registered as an employer?

If you are already registered as an employer for your domestic employee and you now come within the scope of the Department of Social & Family Affairs for this scheme please

- notify your local tax office to cancel your existing registration and
- complete the attached registration form.

Further Information

This leaflet is for general information only. You can get further information by visiting www.revenue.ie or by phoning (within the Republic of Ireland only) your Regional Revenue LoCall Service whose number is listed below.

Border Midlands West Region 1890 777 425

Cavan, Monaghan, Donegal, Mayo, Galway, Leitrim, Louth, Offaly, Sligo Longford, Roscommon, Westmeath

Dublin Region 1890 333 425

Dublin (City and County)

East & South East Region 1890 444 425

Carlow, Kildare, Kilkenny, Laois, Meath, Tipperary, Waterford, Wexford, Wicklow

South West Region

1890 222 425

Clare, Cork, Kerry, Limerick

If you are calling from outside the Republic of Ireland, please phone + 353 (1) 647 4444.

For further information regarding the operation of PRSI please contact:

Information Services Unit,
Social Welfare Services Office,
Department of Social and Family Affairs,
College Road,
Sligo.

Telephone 1890 66 22 44

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

Domestic Employer - PRSI Calculation and Payment at End-of-Year

Domestic Employer's Name

Address

Name of Employee

Employee's PPS Number

Date employment commenced

Amount of pay in the year ended 31 December €

Please insert year

If employment terminated, state date

Calculate PRSI due as follows

If pay is less than €40 per week from all employments:

PAY € X 0.5% = €

If pay is €40 or more per week from all employments:

PAY € X 8.5% = €

Signature of Employer

Date

Where payment is due to Department of Social & Family Affairs, please attach a cheque or bank draft made payable to The Accountant, Department of Social and Family Affairs, for the PRSI due and send together with this form to:

Special Collection Section,
Social Welfare Services Office,
Department of Social and Family Affairs,
Government Offices,
Cork Road,
Waterford.

Domestic Employer Scheme Registration Form

Employment Details

Employer's Registered
Number (if any)

Name

Address

Phone Number

Duties of Employee
(e.g. housework, child-minding, etc.)

Date employment commenced

Weekly pay

Employee's Details

Name

Address

PPS Number

Declaration

I declare that the employment details supplied by me in this application are true in every respect and that the employee details are as supplied by him/her.

Signature of
Employer

Date

Send this completed registration form for earnings less than €40 per week to:

Special Collection Section,
Social Welfare Services Office,
Department of Social and Family Affairs,
Government Offices,
Cork Road,
Waterford.

This leaflet is intended to describe the subject in general terms. As such, it does not attempt to cover every issue which may arise in relation to the subject. It does not purport to be a legal interpretation of the statutory provisions and consequently, responsibility cannot be accepted for any liability incurred or loss suffered as a result of relying on any matter published herein.

Revenue Commissioners
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Domestic Employer Scheme

Employing a person in your home