

Universal Social Charge

Frequently Asked Questions

These FAQs have been updated on 20 March 2012. The changes from the previous version (published on 20 January 2012) are listed hereunder.

Revised FAQs

FAQ	Subject	Change
2.4	I have a medical card – do I pay Universal Social Charge on my wages?	Text inserted stating that an 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.
Appendix A	List of Social-Welfare-Like payments	List updated

New FAQs

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

Changes listed in the FAQ document published on 20 January 2012

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 way PAYE is deducted. These updated FAQs include instructions regarding this change.

The main changes for employers are listed in FAQ 4.32.

Revised FAQs

FAQ	Subject	Change
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?	Text added to show what is returned on the P35 for tax and USC.
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?	Reference added to see Example 8 – ‘Cumulative basis – moving to Exemption [Refund situation]’ in the Payroll calculation examples document.
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 cut-off point fields on the P45?	Revised to show how all USC fields are completed in a USC exemption case. Also, note added re what is returned on P35.

New FAQs

FAQ	Subject	
2.28	I am a participant on a Community Employment Scheme and also earn €9,000 per year in a part-time employment. How will USC apply in my case?	New FAQ
2.29	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?	New FAQ
4.46	Payments such as DSP payments, payments paid under the Community Employment Schemes, Back to Education Allowance, etc. [See Appendix A for further examples] are exempt from USC. How are these payments to be treated in payroll?	New FAQ

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1. Universal Social Charge (USC) General Provisions

1.1 What is the Universal Social Charge?

The Universal Social Charge, 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 Universal Social Charge?

All individuals are liable to pay the Universal Social Charge if their gross income exceeds the threshold of €10,036 p.a. (€4,004 in 2011).

For example (2012):

- Gross income of €9,500 – as the gross income is less than the exemption threshold of €10,036 no Universal Social Charge applies
- Gross income of €10,500 – as the gross income exceeds the exemption threshold of €10,036 Universal Social Charge applies to the **full** €10,500

1.3 Are there special treatments for older persons?

Yes. While there is no age related exemption individuals aged 70 or over will only pay Universal Social Charge at a maximum rate of 4% irrespective of the level of their income. However, individuals who have income from self-employment that exceeds €100,000 in a tax year are subject to a 3% surcharge. A rate of 7% therefore applies to any income in excess of €100,000.

1.3A Are there special treatments for full medical card holders?

Yes. Individuals in possession of a full medical card, including a Health Amendment Act card, will only pay Universal Social Charge at a maximum rate of 4% irrespective of the level of their income. However, where an individual has **self-employment income** in excess of €100,000 for a tax year, the maximum rate is 7% on the amount of the excess. Non-medical card holders are subject to a maximum rate of 10% on such income.

1.4 What is exempt from the Universal Social Charge?

- Where an individual's total income for a year does not exceed €10,036 (€4,004 in 2011).
- 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 Will the Universal Social Charge apply to non-domiciles?

Income from Ireland or income sourced from Ireland will be subjected to the Universal Social Charge.

1.6 I am a non-resident director – will I be liable to pay Universal Social Charge?

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 Universal Social Charge?

The standard rates of Universal Social Charge (2011 and 2012) are:

- 2% on the first €10,036
- 4% on the next €5,980
- 7% on the balance.

However, these standard rates are modified in certain circumstances. In the case of individuals aged 70 or over, and individuals who hold **full** medical cards, the 4% rate applies to all income over €10,036.

There is a surcharge of 3% on individuals who have income from self-employment that exceeds €100,000 in a year, regardless of age. Thus, where such individuals are under 70 years and do not hold a full medical card, a rate of 10% applies to such income and where such individuals are aged over 70 years or hold a full medical card, a rate of 7% applies.

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.

1. For **payroll purposes** the following Universal Social Charge rates apply to persons aged under 70 years:

Applicable to payments made from 1 January 2011 to 31 December 2011

Income Thresholds			
Per Year	Per Week	Per Month	Rate of Universal Social Charge
Up to €10,036.00	Up to €193.00	Up to €837.00	2%
From €10,036.01 to €16,016.00 inclusive	From €193.01 to €308.00 inclusive	From €837.01 to €1,335.00 inclusive	4%
In excess of €16,016.00	In excess of €308.00	In excess of €1,335.00	7%

2. For **payroll purposes** the following Universal Social Charge rates apply to persons aged 70 years and over:

Applicable to payments made from 1 January 2011 to 31 December 2011

Income Thresholds			
Per Year	Per Week	Per Month	Rate of Universal Social Charge
Up to €10,036.00	Up to €193.00	Up to €837.00	2%
In excess of €10,036.00	In excess of €193.00	In excess of €837.00	4%

3. For **payroll purposes** the following Universal Social Charge rates apply to persons in possession of a full medical card (regardless of age):

Applicable to payments made from 1 January 2011 to 31 December 2011

Income Thresholds			
Per Year	Per Week	Per Month	Rate of Universal Social Charge
Up to €10,036.00	Up to €193.00	Up to €837.00	2%
In excess of €10,036.00	In excess of €193.00	In excess of €837.00	4%

With effect from 1 January 2012

Employer Tax Credit Certificates (P2Cs), as well as displaying PAYE rates and cut-off points, will now feature USC rates and cut-off points. See sample P2C in Appendix E.

4. For **self-assessed individuals under 70 years** the 2011 and 2012 annual rates are as follows:

Part of aggregate income	Rate of Universal Social Charge
The first €10,036	2%
The next €5,980	4%
The next €83,984	7%
The remainder (> €100,000)	10%

5. For **self-assessed individuals aged 70 years and over or individuals under 70 years who hold a full medical card**, the 2011 and 2012 annual rates are as follows:

Part of aggregate income	Rate of Universal Social Charge
The first €10,036	2%
The next €89,964	4%
The remainder (> €100,000)	7%

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**

The 2% Universal Social Charge applies to all payments up to €10,036.00 p.a. The 4% Universal Social Charge is charged on all payments from €10,036.01 p.a. to €16,016.00 p.a. inclusive and the 7% is being charged on all payments in excess of €16,016.00 p.a.

- **Aged 70 years and over**

The 2% Universal Social Charge applies to all payments up to €10,036.00 p.a. The 4% Universal Social Charge is charged on all payments in excess of €10,036.00

- **Individuals in possession of a full medical card**

The 2% Universal Social Charge applies to all payments up to €10,036.00 p.a. The 4% Universal Social Charge is charged on all payments in excess of €10,036.00

1.9 How is the Universal Social Charge collected?

Employer/pension providers are responsible for deducting the Universal Social Charge from their employees' salaries. Self-employed individuals will make a payment of Universal Social Charge 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 is to be calculated as if Universal Social Charge had been payable for 2010.

1.10 What income is liable for the Universal Social Charge?

The Universal Social Charge 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 Universal Social Charge 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 Universal Social Charge due.

1.11 Will redundancy payments be subject to the charge?

Statutory redundancy payments are exempt from the charge. 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 Universal Social Charge, 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 Universal Social Charge. 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 Universal Social Charge purposes?

How maintenance payments are treated for Universal Social Charge 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 Universal Social Charge 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 Universal Social Charge 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 Universal Social Charge on the portion of their income which they pay as maintenance either directly or indirectly to their spouse or civil partner. There is no Universal Social Charge exemption due in respect of any portion of the maintenance payments paid towards the maintenance of children.

An employee wishing to claim Universal Social Charge exemption in respect of legally enforceable maintenance payments throughout the year may either give the information required to their payroll office, or alternatively they can apply to Revenue at the end of the year to claim any refund of Universal Social Charge that may be due in respect of maintenance paid.

- The spouse or civil partner who receives the payments is subject to the Universal Social Charge 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 Universal Social Charge.

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 marriage or in a civil partnership, for income tax purposes, the spouse or civil partner making the payments does not receive exemption from the Universal Social Charge 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 Universal Social Charge 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 Universal Social Charge?

Share option gains are liable to the Universal Social Charge. See FAQ 2.27

1.15 In the case of “restricted shares” to which section 128D Taxes Consolidation Act 1997 applies, is the Universal Social Charge payable on the gross amount chargeable to income tax or on the abated amount?

Universal Social Charge is payable on the abated amount. If, at a future date, the abated amount is revised additional Universal Social Charge will then be payable.

1.16 Is my employer’s contribution to an approved retirement benefit scheme liable to Universal Social Charge?

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 Universal Social Charge treatment follows the income tax treatment, any employer contribution to such schemes will not be subject to Universal Social Charge. Irrespective of this, employee contributions are not relieved for Universal Social Charge 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 Universal Social Charge. 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 2011. 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 €10,036 in 2012 (€4,004 in 2011).

1.18 I am a public servant who paid Pensions Related Deduction (PRD) in 2010 that will be refunded in 2011. Will this refund be 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 Universal Social Charge?

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.

2. PAYE Taxpayers and the Universal Social Charge

2.1 Are the first €10,036 p.a. (€4,004 in 2011) earnings exempt?

No – once your income is greater than the exemption threshold above, you pay the Universal Social Charge on the full amount of your income.

2.2 I'm over 70 years and my income is €25,000 - is the first €10,036 exempt?

No. You are liable to pay the Universal Social Charge on the full amount of your income. Your income for Universal Social Charge purposes is determined after excluding any Dept of Social Protection or similar type income.

2.3 My spouse or civil partner and I are both over 65 and taxed under joint assessment– are we exempt from the Universal Social Charge?

Each spouse or civil partner is treated individually by their employer/pension provider throughout the year. The amount of Universal Social Charge you pay will depend on your age and the amount of your income. The age of 65 is not relevant for the purposes of Universal Social Charge purposes. A lower maximum rate of 4% applies to individuals (other than those with self-employment income over €100,000) aged over 70. See FAQ 1.7 for the rates and thresholds applicable.

2.4 I have a medical card – do I pay Universal Social Charge on my wages?

Yes. However, individuals in possession of a full medical card, including a Health Amendment Act card, will only pay Universal Social Charge at a maximum rate of 4% irrespective of the level of their income from employment/pension. 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 7% 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 4% maximum USC. It is due as long as the individual holds a full medical card for some period during the year.

For the period 1 January 2011 to 31 December 2011

The individual should supply sufficient evidence to their employer/pension provider that they hold a full medical card to enable the employer/pension provider to apply the 4% maximum rate from the next pay period.

In cases where an employee, in possession of a full medical card, had USC deducted at the rate of 7% from 1 January 2011 they will have overpaid the USC and will be due a refund. Employers should make any such refunds immediately rather than wait until the end of the year. See FAQ 2.22 for information in relation to the refund of other types of overpayment in 2011.

From 1 January 2012:

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 will 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 records my Dept of Social Protection Illness Benefit after 6 weeks for tax purposes [Note: this 6 weeks tax exemption is abolished with effect from 1 January 2012], will I now have to pay the Universal Social Charge on this benefit?

Dept of Social Protection payments are not subject to the Universal Social Charge.

2.6 I earn €50,000 per annum – what rate of Universal Social Charge will I pay?

An individual who is earning €50,000 p.a. will have a liability to the Universal Social Charge at a rate of 2% on the first €10,036, 4% on the next €5,980 and 7% on the balance of €33,984.

2.7 I earn €70,000 and my spouse or civil partner earns €120,000 (employment income) - what rate will we pay?

You will pay the Universal Social Charge at the rate of 2% on the first €10,036, 4% on the next €5,980 and 7% on the balance of €53,984.

Your spouse or civil partner will pay 2% on the first €10,036, 4% on the next €5,980 and 7% on the balance of €103,984.

2.8 I am 45 years old and paid weekly. If I get a bonus of €6,000 will the Universal Social Charge apply at the 7% rate?

(See FAQ 2.25 regarding bank bonuses)

For the year 2011, the Universal Social Charge is deducted on a week 1 basis, using the following weekly thresholds:

Applicable to all payments made in 2011	2% on income up to €193.00
	4% on income from €193.01 to €308.00 inclusive
	7% on income above €308.00

An employee will pay the Universal Social Charge at the appropriate rate(s) according to the amount of their payment (normal pay plus any bonus, etc) in that particular week. Where an employee is paid on a monthly basis, the monthly thresholds will apply to the payment.

With effect from 1 January 2012

USC will be deducted on a cumulative basis similar to the way PAYE is deducted. Employee Tax Credit Certificates (TCC), as well as displaying PAYE rates and bands, will now feature USC rates and bands.

2.9 Are Occupational Pensions subject to the Universal Social Charge?

Yes. Occupational Pensions are subject to the Universal Social Charge. Dept of Social Protection pensions are not subject to the Universal Social Charge.

2.10 Will the Universal Social Charge affect tax credits?

No. The Universal Social Charge 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 Universal Social Charge.

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 Universal Social Charge 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 Universal Social Charge.

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 Universal Social Charge 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 Universal Social Charge. Appendix A contains a list of these similar payments.

2.15 Should I pay the Universal Social Charge 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 Universal Social Charge. 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 Universal Social Charge rates automatically kick in?

For the period 1 January 2011 to 31 December 2011

No. Each employer/pension provider is responsible for collecting the Universal Social Charge by reference to the gross income arising in their own employment only. Details of the Universal Social Charge are not carried forward from one employment to another. In 2011 the Universal Social Charge is collected on a week 1 basis. In circumstances where, in the aggregate of the income arising between the two employments, there is an underpayment of the Universal Social Charge, Revenue will identify this and make arrangements for the collection of the underpayment from the employee concerned. (See also: FAQ 4.27 regarding an employee who has multiple employments 'opting' to pay USC)

From 1 January 2012

With effect from 1 January 2012, the deduction of USC has changed from a week 1 basis to 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 Universal Social Charge?

Appendix B contains a list of income sources that are exempt from income tax. These income sources are also exempt from Universal Social Charge.

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 Universal Social Charge.

2.20 I am a single person and will be 70 years old in June 2011. Will I benefit from the maximum 4% rate for all of 2011?

Yes. If a person reaches 70 years at any stage during the year they will benefit from the maximum 4% rate for the whole year.

2.21 I have just left employment and my employer/pension provider has given me a Universal Social Charge Certificate along with my form P45. What do I do with the Universal Social Charge Certificate?

For the period 1 January 2011 to 31 December 2011

Your employer/pension provider gave you the Universal Social Charge certificate as your own personal record of the amount of Universal Social Charge deducted while in that employment. You need not do anything with this certificate. Just keep it safely. It should not be sent to Revenue or given to your new employer/pension provider when you commence another employment. Please see 2.22 and 2.24 below regarding overpayments and refunds of the Universal Social Charge.

From 1 January 2012

With effect from 1 January 2012, employers will no longer be providing Universal Social Charge Certificates. Instead, all USC information will be stated on the P45 - see sample 2012 P45 in Appendix F. When you commence in a new employment give your P45 to your new employer/pension provider so that the correct tax and USC will continue to be deducted from your pay.

2.22 What if I have overpaid the Universal Social Charge? How can I claim a refund?

For the period 1 January 2011 to 31 December 2011

In 2011 the Universal Social Charge is calculated on a pay period by pay period basis. Where the Universal Social Charge has been applied for particular pay period(s) throughout 2011 but you are ultimately liable at either a lower rate or are exempt because you have not exceeded the thresholds at the end of the year, you will have overpaid the Universal Social Charge. In this situation you will be due a refund of some or all of any Universal Social Charge paid.

Where you have been in continuous employment with an employer/pension provider throughout the year in question (i.e., from 1 January 2011 to 31 December 2011), your

employer/pension provider may refund any overpayment of Universal Social Charge deducted at the end of the year. Where you have not been in continuous employment with an employer/pension provider throughout 2011, Revenue, rather than your employer/pension provider, will deal with any refund of Universal Social Charge due at the end of the year.

From 1 January 2012

With effect from 1 January 2012, for PAYE taxpayers, the deduction of USC has changed from a pay period by pay period basis to 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 at 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 contact your local Revenue office for a review of your USC deductions.

2.23 My employer makes a contribution on my behalf to my Personal Retirement Savings Account (PRSA). Is the charge payable in respect of this contribution given it qualifies for tax relief as a pension contribution?

Yes. Universal Social Charge 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 Universal Social Charge treatment follows the income tax treatment the employer contribution to the PRSA will also be subject to the Universal Social Charge. Universal Social Charge should be deducted on this contribution in a similar manner to any other benefit provided by an employer and accounted for with Universal Social Charge 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 Universal Social Charge in 2011. How can I claim a refund?

If you have overpaid the Universal Social Charge in 2011 you can contact your local Revenue office for a review of your USC deductions at the end of the year.

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 Universal Social Charge 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 Universal Social Charge 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. Universal Social Charge 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 RTSO1 and 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 €9,000 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 Universal Social Charge. [Appendix A contains examples of these types of payments]. Revenue has reminded 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 €10,036, you will not pay USC in this employment. You should contact your local 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 €1,000 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 Universal Social Charge. [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 €10,036, 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 local 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)

3. Self-Assessed Taxpayers and the Universal Social Charge

3.1 How will the Universal Social Charge be collected?

Self-assessed taxpayers have responsibility for operating the charge in respect of all income sources. They will make a payment of Universal Social Charge 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 is to be calculated as if Universal Social Charge had been payable for 2010.

3.2 I am self-employed – how do I calculate gross income for the purposes of the Universal Social Charge?

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 Universal Social Charge 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 Universal Social Charge 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 Universal Social Charge 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 Universal Social Charge 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 Universal Social Charge?

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 Universal Social Charge on the sources above – subject to the relevant thresholds.

3.6 What Universal Social Charge 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 Universal Social Charge 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 Universal Social Charge 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 Universal Social Charge?

In general, individuals in possession of a **full** medical card, including a Health Amendment Act card, will only pay Universal Social Charge at a maximum rate of 4% irrespective of the level of their income. However, individuals who have income from self-employment that exceeds €100,000 in a tax year are subject to a 3% surcharge. A rate of 7% therefore applies to any income in excess of €100,000. See FAQ 2.4 for further information about what is regarded as a **full** medical card.

3.8 I am aged 60 and (in 2011) have self-employment income of €120,000 and also PAYE employment income of €60,000. What Universal Social Charge will I pay?

Your 2011 Universal Social Charge is calculated as follows:

Gross Income for USC:

Self-employment:	120,000
PAYE employment:	<u>60,000</u>
	180,000

USC liability:

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

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

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

The Universal Social Charge 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

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

- Identify “Gross Income” as defined
- Deduct the Universal Social Charge from this income at the appropriate rates
- Pay the total amount of the Universal Social Charge deducted from your employees on form P30 to the Collector General – the Universal Social Charge amount is to be included with figure for PAYE on form P30.
- At end of year give details of the Universal Social Charge on form P35L – see section 4.12

4.2 Who is responsible for deducting and returning the Universal Social Charge?

Employer/pension providers have responsibility for operating Universal Social Charge in relation to payments they make to their employees. They will deduct and pay the Universal Social Charge to the Collector General on behalf of employees.

4.3 I am an employer/pension provider – when do I pay this Universal Social Charge?

Employer/pension providers should pay the Universal Social Charge 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 Universal Social Charge 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 Universal Social Charge.

4.5 Will there be an interest charge for late payment of the Universal Social Charge?

Yes. Interest will be payable on late payments of the Universal Social Charge 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 Universal Social Charge % should be applied?

The employer/pension provider is only responsible for deducting the Universal Social Charge 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. (See also: FAQ 4.27 regarding an employee who has multiple employments ‘opting’ to pay USC in 2011)

From 1 January 2012

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 will notify employers (on Employers' Tax Credit Certificates - P2Cs) of the USC rates and thresholds to be applied for all employees.

4.7 Are Dept of Social Protection payments added to income to determine whether the Universal Social Charge will be charged or not?

No. Dept of Social Protection payments are exempt from the Universal Social Charge.

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
- The Universal Social Charge is collected on a stand-alone basis for each employment
- For 2011, the Universal Social Charge is collected on a week 1 basis within each employment. With effect from 1 January 2012, the deduction of USC will change 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 will 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 Universal Social Charge?

Yes. Direct Debit amounts should be revised to take account of Universal Social Charge payments.

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

For the period 1 January 2011 to 31 December 2011

Employers/pension providers should keep the following records in relation to the Universal Social Charge for each employee for each year:

- Amount of emoluments liable to Universal Social Charge
- Amount of Universal Social Charge deducted from each payment made
- Total amount of Universal Social Charge deducted.

From 1 January 2012

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 Universal Social Charge details separately?

Yes. Details of the Universal Social Charge should be recorded separately on payslips.

4.12 What revisions to forms have been made to cater for the Universal Social Charge?

USC is reported as follows:

P30

Include Universal Social Charge in PAYE figure.

P35 Declaration

Field	Enter
A	Total Tax / Universal Social Charge / Parking Levy Liability
D	Total Paid (enter the total amount already paid, i.e. tax, USC, Parking Levy and PRSI)

P35 L

Two fields per employee:

- Gross Pay for Universal Social Charge Purposes (including Superannuation)
- Universal Social Charge

P35 LT

Two fields per employee:

- Gross Pay for Universal Social Charge Purposes (including Superannuation)
- Universal Social Charge

P60 (2011 version – for year ending 31 December 2011)

(D) Universal Social Charge in this employment

- Gross Pay for Universal Social Charge Purposes
- Amount of Universal Social Charge deducted

Note:

From 1 January 2012

Forms P45 and P45 Supplement have been revised to cater for the operation of USC on a cumulative basis. See sample 2012 P45 in Appendix F.

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 Universal Social Charge thresholds?

The breakdown of the Universal Social Charge threshold figures is as follows:

Applicable to all payments made in the period 1 January 2011 to 31 December 2011
(See below for payments made on or after 1 January 2012)

Persons aged under 70 years

	Annual Threshold	Weekly	Fortnightly	Monthly	4-Weekly	Bi-monthly (every 2 months)	Twice-monthly	Quarterly
	Exemption Threshold 4,004 (2011) See Note below	77	154	334	308	668	167	1,001
2%	0.00 up to 10,036.00	0.00 up to 193.00	0.00 up to 386.00	0.00 up to 837.00	0.00 up to 772.00	0.00 up to 1,673.00	0.00 up to 419.00	0.00 up to 2,509.00
4%	From 10,036.01 to 16,016.00	From 193.01 to 308.00	From 386.01 to 616.00	From 837.01 to 1,335.00	From 772.01 to 1,232.00	From 1,673.01 to 2,670.00	From 419.01 to 668.00	From 2,509.01 to 4,004.00
7%	From 16,016.01	From 308.01	From 616.01	From 1,335.01	From 1,232.01	From 2,670.01	From 668.01	From 4,004.01

**Persons aged 70 years and over, and
Persons in possession of a Full Medical Card (regardless of age)**

	Annual Threshold	Weekly	Fortnightly	Monthly	4-Weekly	Bi-monthly (every 2 months)	Twice-monthly	Quarterly
	Exemption Threshold 4,004 (2011) See Note below	77	154	334	308	668	167	1,001
2%	0.00 up to 10,036.00	0.00 up to 193.00	0.00 up to 386.00	0.00 up to 837.00	0.00 up to 772.00	0.00 up to 1,673.00	0.00 up to 419.00	0.00 up to 2,509.00
4%	From 10,036.01	From 193.01	From 386.01	From 837.01	From 772.01	From 1,673.01	From 419.01	From 2,509.01

Note:

Employers/pension providers are to apply the €4,004 exemption threshold in payroll in 2011 – **similar to the operation of the Income Levy**. The USC is operated on a week 1 basis in 2011. Where the weekly earnings are €77 or below, no USC is deducted. Where the weekly earnings are above €77, USC is deducted on the **full** payment. See above table for monthly, fortnightly, etc, equivalents.

Example 1

Weekly pay €75 in 2011

As the payment is less than the weekly exemption threshold of €77, no USC is deducted from this payment.

Example 2

Weekly pay €400 in 2011

As the payment exceeds the weekly exemption figure of €77, USC is applied to the **full** payment as follows:

€193	@ 2% =	3.86
€115	@ 4% =	4.60
€ 92	@ 7% =	<u>6.44</u>
Total		14.90

Example 3

Individual aged over 70 - Weekly pay €400 in 2011

As the payments exceed the weekly exemption figure of €77, USC is applied to the **full** payment as follows:

€193	@ 2% =	3.86
€207	@ 4% =	<u>8.28</u>
Total		12.14

Individuals aged 70 years and over pay USC at a maximum rate of 4%.

Example 4

Individual with full medical card - Weekly pay €400 in 2011

As the payments exceed the weekly exemption figure of €77, USC is applied to the **full** payment as follows:

€193	@ 2% =	3.86
€207	@ 4% =	<u>8.28</u>
Total		12.14

An individual with full medical card (regardless of age) pays USC at a maximum rate of 4%.

Applicable to all payments made on or after 1 January 2012

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 will notify employers (on Employers' Tax Credit Certificates - P2Cs – see sample in Appendix E) 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 will be 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 local 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, as they did in 2011, 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 Universal Social Charge 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 Universal Social Charge liabilities at the end of 2011

(Note: End of year employer-adjustments apply to the year 2011 only. As and from 1 January 2012, the deduction of USC is changing from a week 1 basis to a cumulative basis which should result in the correct amount of USC being deducted at the end of the year. Consequently, there is no end of year employer-adjustment in 2012 and following years.)

In 2011, where an employee is in continuous employment/pension (from 1 January 2011 to 31 December 2011) with an employer/pension provider, the employer/pension provider should make adjustments to Universal Social Charge liabilities in the circumstances listed hereunder.

[Note regarding Week 53 and the employer end of year recalculation

The end of year adjustment is to be carried out on the full year's earnings. Where a weekly/fortnightly-paid employee had 53 or 54 pay days in 2011 the end of year

adjustment is to be carried out on the full 2011 earnings, inclusive of the payments made in week 53 and week 54].

Continuous employment

‘Continuous employment throughout the year’ means that the employee has been in employment/pension with the employer/pension provider for the full period, 1 January 2011 to 31 December 2011. It is not necessary for the employee to have ‘52 paid insurable weeks of employment’ in the year to be included in the end of year employer/pension provider calculation. An individual who has been in continuous employment with an employer/pension provider from 1 January 2011 to 31 December 2011 and who was absent from work on various forms of unpaid leave (e.g. sick leave, maternity leave, adoptive leave, etc) throughout the year is eligible to be included.

For example, a weekly paid employee, in continuous employment throughout 2011, is absent on unpaid leave for a period of 3 weeks in February 2011. As a result they had only 49 pay days in the January to December period. In the end of year Universal Social Charge calculation the employer/pension provider should use 52 pay days in the January-December calculation for this employee.

Where the employee has not been in continuous employment (1 Jan – 31 Dec) with an employer/pension provider throughout the year in question (e.g. employee commenced current employment on 15 January 2011) Revenue, rather than the employer/pension provider, will deal with any refund of Universal Social Charge due.

(Note: Adjustment should be made in respect of overpayment of the Universal Social Charge only. Where an employer/pension provider finds that the Universal Social Charge has been under deducted at the end of 2011 they are not to deduct more Universal Social Charge. Revenue will deal with any underpayments arising.)

- **2011 Exemption threshold €4,004 not exceeded**

Where the Universal Social Charge has been applied for particular pay period(s) throughout the year but the 2011 exemption threshold of €4,004 p.a. has not been exceeded at 31 December 2011, then no liability to the Universal Social Charge arises. In this situation the employer/ pension provider should make an adjustment at the end of the year and refund all Universal Social Charge deducted. Where the employee has not been in continuous employment with an employer/pension provider throughout 2011, Revenue, rather than the employer/pension provider, will deal with any refund of Universal Social Charge due.

- **Individuals liable at a lower rate(s)**

Where a rate of Universal Social Charge has been applied for particular pay period(s) but the employee ultimately is liable at a lower rate(s) at 31 December 2011, they will have overpaid the Universal Social Charge. In this situation the employer/pension provider should make an adjustment at the end of the year and refund any overpayment of Universal Social Charge deducted. Where the employee has not been in continuous

employment with an employer/pension provider throughout 2011, Revenue, rather than the employer/pension provider, will deal with any refund of Universal Social Charge due.

- **Individuals aged 70 or over**

Where an employee/pensioner is aged 70 and over, Universal Social Charge is applied at a maximum rate of 4% after the first threshold of €10,036 has been applied. Where that individual reached the age of 70 at any time during the year the 4% ceiling applies for the full year.

Where the employer/pension provider knows at the start of 2011 that the individual will reach 70 at some stage in the year the 4% max can be applied from the first pay period.

Where the employer/pension provider only becomes aware mid-2011 that the individual has reached 70 or will reach 70 in the year, they should apply the 4% max rate from the next pay period. Any refund due to the individual as a result of paying USC at the 7% rate can be paid at the end of 2011, provided the individual has been in continuous employment/pension with the employer/pension provider throughout the year. Where the employee/pensioner has not been in continuous employment/pension with an employer/pension provider throughout 2011, Revenue, rather than the employer/pension provider, will deal with any refund of Universal Social Charge due.

From 1 January 2012

Where lower rates of USC apply in certain circumstances, for example, in the case of an employee aged 70, 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 local Revenue office to arrange to have a revised P2C issued. Employers are not to apply the lower rates themselves, as they did in 2011, but must instead operate strictly on the figures stated on the P2C. There is no employer end of year adjustment in 2012 and following years.

- **Individuals in possession of a full medical card**

Individuals in possession of a full medical card will only pay Universal Social Charge at a maximum rate of 4% irrespective of the level of their income. See FAQ 4.30 for further information about medical cards.

In cases where an employee, in possession of a full medical card, had USC deducted at the rate of 7% from 1 January 2011 they will have overpaid the USC and will be due a refund. Employers should make the refund immediately rather than wait until the end of the year. See FAQ 4.30.

From 1 January 2012

Where lower rates of USC apply in certain circumstances, for example, in the case of an employee who holds a full medical card, these lower rates will be stated on the Employer Tax Credit Certificate (P2C) issued by Revenue. Where an employee advises their employer that they hold a full medical card, the employee should be instructed to contact their local Revenue office to arrange to have a revised P2C issued. Employers are not to

apply the lower rates themselves, as they did in 2011, but must instead operate on the figures stated on the P2C.

There is no employer end of year adjustment in 2012 and following years.

See sample P2C in Appendix E.

4.16 How is the Universal Social Charge applied to holiday pay paid in advance of the usual pay day?

If the effect of paying holiday pay in advance is that the employee receives the equivalent of two or three weeks' pay in the same week and no pay in the following week, or following two weeks, the Universal Social Charge will work in the same way as the tax credits and standard rate cut-off point currently work for those weeks. The 'increased' pay the employee receives in the week immediately preceding the week / 2 weeks holidays is not extra pay earned in that particular week but rather the pay for the following week / 2 weeks brought forward and paid in that particular week. In this situation the employee is due the Universal Social Charge thresholds applied to each of the following weeks' pay as normal. It should be noted that this does not apply where the employee is being paid holiday pay immediately before leaving the employment.

From 1 January 2012

With effect from 1 January 2012, as the deduction of USC for PAYE taxpayers has changed from a week 1 basis to a cumulative basis, the application of USC to holiday pay paid in advance of the usual pay day will 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 Universal Social Charge applied in this case?

In this case the employee will be due the Universal Social Charge four-weekly threshold amount applied to their four-weekly salary as normal and have two weekly threshold amounts applied to their two weeks holiday pay. In their next four-weekly salary period they will receive payment for two weeks (as the other two have already been paid in advance) and have two weekly threshold amounts applied to this payment.

From 1 January 2012

With effect from 1 January 2012, as the deduction of USC for PAYE taxpayers has changed from a week 1 basis to a cumulative basis, the application of USC to holiday pay paid in advance of the usual pay day will 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 Universal Social Charge applied in this case?

In this case the employee will be due the Universal Social Charge weekly threshold amount applied to their weekly salary as normal and have four separate weekly threshold amounts applied to their four separate weeks holiday pay. It is not correct to apply the

four-weekly or monthly Universal Social Charge threshold amounts to the total of their four weeks holiday pay.

From 1 January 2012

With effect from 1 January 2012, as the deduction of USC for PAYE taxpayers has changed from a week 1 basis to a cumulative basis, the application of USC to holiday pay paid in advance of the usual pay day will follow the same manner in which PAYE is applied.

4.19 An employee is due to receive back pay in 2011. Even though the back pay relates to an earlier year(s), will the payment be subject to the Universal Social Charge?

Yes. Any payments made on or after 1 January 2011 but which relate to 2010 (or earlier years) will be subject to the Universal Social Charge. The USC treatment depends on the date of the payment rather than on when the income was earned.

Examples:

1. An individual does overtime in December 2010 and receives the payment for this overtime in January 2011. This payment is subject to the Universal Social Charge
2. 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 2012. This payment is subject to the Universal Social Charge.

4.20. Does the USC reduce the gross pay for PAYE/PRSI purposes?

No. Any deduction for the Universal Social Charge 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

Universal Social Charge calculation:

Gross pay	€800
Less Salary Sacrifice for Travel Pass	<u>€ 20</u>
Universal Social Charge is applied to	€780
193 x 2% = €3.86, 115 x 4% = €4.60, and 472 x 7% =	€33.04
Total Universal Social Charge =	€41.50

Note: the Universal Social Charge 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 higher rate of 7% on some of their earnings. What is the employer to do?**For the period 1 January 2011 to 31 December 2011**

Where an employee/pensioner is aged 70 or over, Universal Social Charge is applied at a maximum rate of 4% after the first threshold of €10,036 has been applied. Where that individual reached the age of 70 at any time during the year the 4% ceiling applies for the full year. The 4% max can be applied by the employer from the next pay day and if the individual has already paid Universal Social Charge at the higher rate of 7%, they will be due a refund. This refund can be dealt with by the employer **at the end of 2011** in the employer-adjustment, or the individual can apply to Revenue for the refund **at the end of 2011**.

Note (for 2011 only)

Where the employer/pension provider knows at the start of 2011 that the individual will reach 70 at some stage in the year the 4% max can be applied by the employer from the first pay period.

From 1 January 2012

Where lower rates of USC apply in certain circumstances, for example, in the case of employees aged 70 and over, 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 local Revenue office to arrange to have a revised P2C issued. Employers are not to apply the lower rates themselves, as they did in 2011, but must instead await the revised P2C.

4.22 Universal Social Charge Certificate (2011) on cessation of employment

Note: The Universal Social Charge Certificate applies to 2011 only. With effect from 1 January 2012, USC details will be reported on form P45 – See FAQ 4.12)

When an employee ceases employment in 2011, the employer should issue a Universal Social Charge Certificate to the employee together with form P45. It is not necessary to send a copy of this certificate to Revenue. It is for the employee's own records. The information detailed on this certificate will be for 'this employment only'. Where an

individual had more than one period of employment with the same employer in 2011, the certificate will state the Universal Social Charge information in respect of the latest period of employment only. The individual will be given a Universal Social Charge certificate each time they cease employment. This will mean, for example, that where an individual commenced and ceased employment three times with the same employer in 2011 they will receive three Universal Social Charge certificates from this employer in 2011. Employers should note that details of the Universal Social Charge should **not** be included on forms P45 in 2011.

The Universal Social Charge certificate should be issued even when employees have nil Universal Social Charge deducted during their employment.

Where a payment is made to an ex-employee that is not included on the form P45 a Universal Social Charge certificate should be issued to reflect this payment. This supplementary Universal Social Charge certificate can either show the details of the supplementary payment only and be marked ‘Supplementary’ or it can include the details from the P45 plus the supplementary payment and be marked ‘Amended’.

(Note: With effect from 1 January 2012, USC details in respect of Supplementary payments will be reported on form P45 Supplement – See FAQ 4.12)

Some payroll software systems will print a version of the certificate automatically from the payroll record.

Alternatively employers can use the Revenue template found at **www.revenue.ie/en/tax/usc/forms/universal-social-charge-certificate-2011.pdf**

Simply fill in the details on screen and print it out. A paper version of this Universal Social Charge certificate (see sample certificate in Appendix D) is 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

The following information is required on the certificate:

- Employee name
- PPS Number
- Payroll / Works No. (if applicable)
- Date of commencement (if after 1 January)
- Date of cessation
- Year
- Gross Income for Universal Social Charge
- Amount of Universal Social Charge deducted
- Employer name and address
- Employer registered number
- Phone number

- Email address
- Date

Note regarding end of year forms:

An end of year 2011 Universal Social Charge certificate will not be in place. Instead, the form P60 has been revised to cater for the Universal Social Charge. See 4.12 regarding revision to forms.

4.23 How is the Universal Social Charge 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, Universal Social Charge 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

www.revenue.ie/en/practitioner/ebrief/archive/2011/no-822011.html

4.24 Are employees within the Employer PRSI Exemption scheme exempt from the Universal Social Charge?

The Universal Social Charge 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 Universal Social Charge and is not added to other income to see if the exemption threshold of €10,036 (€4,004 in 2011) is reached. However, the employment income (and any other non-Social Welfare income) is chargeable to the Universal Social Charge where it exceeds €10,036 (€4,004 in 2011).

4.25 Is Maternity Benefit subject to the Universal Social Charge?

No. Maternity Benefit is not subject to the Universal Social Charge. Employees who are absent due to maternity leave but who are in continuous employment are not liable for the Universal Social Charge 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 Universal Social Charge.

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

For the period 1 January 2011 to 31 December 2011

Deduction of Universal Social Charge is on a “week 1” basis for 2011 and therefore the Universal Social Charge should be deducted and remitted on the same basis as was applied in previous weeks.

[Note regarding Week 53 and the employer end of year recalculation
Where an employer is carrying out an end of year adjustment, the adjustment is to be carried out on the full year’s earnings. Where a weekly/fortnightly-paid employee had 53 or 54 pay days in 2011 the end of year adjustment is to be carried out on the full 2011 earnings, inclusive of the payments made in week 53 and week 54].

From 1 January 2012

With effect from 1 January 2012, 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 the employee has used up all of their USC Cut-Off Points at cumulative Week 52, they will have no unused Cut-Off Points left to set against their Week 53 pay, and will therefore pay USC at the highest rate stated on the P2C on all their Week 53 pay.
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 €10,036 p.a. (€4,004 in 2011), but which when combined will exceed the threshold, can the employee opt to pay the Universal Social Charge at a rate higher than the gross pay would suggest?

For the period 1 January 2011 to 31 December 2011

Yes. To avoid a situation where the employee has an under deduction of the USC at the end of the year it is preferable if the employer could, in these exceptional circumstances, accommodate this situation and deduct the USC at a rate higher than the gross pay would suggest when requested to do so by the employee.

From 1 January 2012:

No. With effect from 1 January 2012, for PAYE taxpayers, the deduction of USC has changed from a week-one basis to a cumulative basis similar to the way PAYE is deducted. As with PAYE tax credits and rate bands, Revenue will notify employers (on Employers' Tax Credit Certificates - P2Cs) of the USC rates and thresholds to be applied for all employees. 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	<u>€20</u>
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	<u>€20</u>
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. Universal Social Charge 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 Universal Social Charge applied in cases where an individual holds a full medical card?

Individuals in possession of a full medical card will only pay Universal Social Charge 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 7% 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)
<http://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 4% maximum USC. It is due as long as the individual holds a full medical card for some period during the year.

For the period 1 January 2011 to 31 December 2011

For the year 2011, the individual should supply sufficient evidence to their employer/pension provider that they hold a full medical card.

Where the employer/pension provider knows at the start of 2011 that the individual holds a full medical card, the 4% maximum USC can be applied from the first pay period. Where the employer/pension provider only becomes aware mid-year that the individual holds a full medical card, they should apply the 4% maximum USC rate from the next pay period.

In cases where an employee, in possession of a full medical card, had USC deducted at the rate of 7% from 1 January 2011 they will have overpaid the USC and will be due a refund. Employers should make the refund immediately rather than wait until the end of 2011. See example refund calculations hereunder.

Example 1

A weekly-paid employee, under 70 and in continuous employment from 1 January 2011, has the following USC rates applied from 1 January 2011:

2%	Up to €193.00
4%	From €193.01 to €308.00
7%	From €308.01

Employer Payroll

Payday	Date	Gross Income for USC	USC Deducted this week
1	7 January 2011	1,000	56.90
2	14 January 2011	1,000	56.90
3	21 January 2011	1,200	70.90
4	28 January 2011	1,100	63.90

The employee receives a full medical card on 2 February 2011 and notifies his employer. As a holder of a full medical card the following weekly rates apply for the full year 2011:

2%	Up to €193.00
4%	From €193.01

On the next payday the employer applies these rates.

Payday	Date	Gross Income for USC	USC Deducted this week
5	4 February 2011	1,000	36.14

As this employee has had USC deducted at the rate of 7% on some of his earnings prior to receiving the full medical card he will have overpaid the USC and will be due a refund. His employer will calculate the refund as follows:

Weeks 1-4 Gross Income for USC €4,300

USC liability

772 (193 x 4) @ 2% =	15.44
3,528 @ 4% =	<u>141.12</u>
	156.56

USC already deducted: 248.60

Refund due: 92.04

Example 2

An individual ceased employment with Employer A on 11 February 2011 and earned €4,650 to date of leaving. She commenced employment with Employer B on 14 February 2011, earning €800 per week.

As the employee is under 70 years of age the following USC rates apply:

2%	Up to €193.00
4%	From €193.01 to €308.00
7%	From €308.01

Employer B Payroll

Payday	Date	Gross Income for USC	USC Deducted this week
7	18 February 2011	800	42.90
8	25 February 2011	800	42.90
9	4 March 2011	800	42.90

The employee receives a full medical card on 6 March 2011 and notifies her employer. As a holder of a full medical card the following weekly rates apply for the full year 2011:

2%	Up to €193.00
4%	From €193.01

On the next payday Employer B applies these rates.

Payday	Date	Gross Income for USC	USC Deducted this week
10	11 March 2011	800	28.14

As this employee has had USC deducted at the rate of 7% on some of her earnings with Employer B prior to receiving the full medical card she will have overpaid the USC and will be due a refund. Employer B will calculate the refund as follows:

Note

Employer B calculates the USC refund due from Employment B earnings only. The USC deducted in Employment A is NOT factored into Employer B's refund calculation. This employee may be due a further refund in respect of the 7% USC paid while employed with Employer A. Revenue will look after this further refund at the end of the year.

Weeks 7-9 Gross Income for USC in Employment B: €2,400

USC liability

579 (193 x 3) @ 2% =	11.58
1,821 @ 4% =	<u>72.84</u>
	84.42

USC already deducted: 128.70 (in weeks 7 to 9 in Employment B only)

Refund due: 44.28

Example 3

An individual had the following employments in 2011:

- Employer A from 1 January 2011 to 31 March 2011 - earned €12,000
- Employer B from 1 April 2011 to 25 June 2011 - earned €13,000
- Recommenced with Employer A on 11 July 2011 - earning €1,000 per week.

As the employee is under 70 years of age the following USC rates apply:

2%	Up to €193.00
4%	From €193.01 to €308.00
7%	From €308.01

Employer A Payroll (recommencement) - July 2011

Payday	Date	Gross Income for USC	USC Deducted this week
28	15 July 2011	1,000	56.90
29	22 July 2011	1,000	56.90

The employee receives a full medical card on 24 July 2011 and notifies his employer. As a holder of a full medical card the following weekly rates apply for the full year 2011:

2%	Up to €193.00
4%	From €193.01

On the next payday Employer A applies these rates.

Payday	Date	Gross Income for USC	USC Deducted this week
30	29 July 2011	1,000	36.14

As this employee has had USC deducted at the rate of 7% on some of his earnings with Employer A (recommenced employment) prior to receiving the full medical card he will have overpaid the USC and will be due a refund. Employer A will calculate the refund as follows.

Note

Employer A calculates the USC refund due from Employment A's latest period of employment only. The USC deducted in Employment A during the period 1 January to 31 March 2011 and in Employment B from 1 April 2011 to 25 June 2011 is NOT factored into Employer A's refund calculation. This employee may be due a further refund in respect of the 7% USC paid in previous periods of employment in 2011. Revenue will look after this further refund at the end of the year.

Weeks 28-29 Gross Income for USC in Employment A's latest period of employment: €2,000

USC liability

386 (193 x 2) @ 2% =	7.72
1,614 @ 4% =	<u>64.56</u>
	72.28

USC already deducted: 113.80 (in weeks 28 to 29 in Employment A's latest period of employment only)

Refund due: 41.52

Medical Cards - From 1 January 2012

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 will notify employers (on Employers' Tax Credit Certificates P2Cs – see sample P2C in Appendix E) of the USC rates and thresholds to be applied for all employees.

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 local Revenue office to arrange to have a revised P2C issued. Employers are not to apply the lower rates themselves as they did in 2011 but must instead operate strictly on the figures stated on the P2C.

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 Universal Social Charge.

For the period 1 January 2011 to 31 December 2011

The pay frequency which applied at the employee's date of leaving should be applied to the USC deduction. Where the employee was paid on a weekly basis, the USC should be applied using the weekly thresholds. Where the employee was paid on a monthly basis, the USC should be applied using the monthly thresholds.

Example 1

A weekly-paid employee ceased employment in January 2011. In March 2011 his employer pays him arrears of pay of €75.

As the employee was weekly-paid at his date of leaving, the USC is applied to the arrears payment using the weekly USC thresholds. As the arrears of pay €75 is below the weekly exemption threshold of €77 no USC is charged.

Example 2

A weekly-paid employee ceased employment in November 2010. In February 2011 her employer pays her arrears of pay of €500. The USC is applied to the arrears payment as follows:

$$\begin{array}{r} \text{€193 @ 2\%} = 3.86 \\ \text{€307 @ 4\%} = \underline{12.28} \\ \hline 16.14 \end{array}$$

Example 3

A monthly-paid employee ceased employment in January 2011. During his employment he held a full medical card. In May 2011 his employer pays him arrears of pay of €2,000. The USC is applied to the arrears payment as follows:

$$\begin{array}{r} \text{€ 837 @ 2\%} = 16.74 \\ \text{€1,163 @ 4\%} = \underline{46.52} \quad (4\% \text{ maximum USC as a full medical card holder}) \\ \hline 63.26 \end{array}$$

From 1 January 2012

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 and from 1 January 2012, 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 - the 2012 version will contain USC details - 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 – the 2012 version will contain USC details - 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 main changes for employers are as follows:

- **P2C**
Employer Tax Credit Certificates (P2Cs), as well as displaying PAYE rates and cut-off points, will now feature USC rates and cut-off points. See sample P2C in Appendix E.
- **P45 and P45 Supplement**
The Forms P45 and P45 Supplement have been revised to include USC details. See sample 2012 P45 in Appendix F and FAQ 4.41.
- **P60**
The 2011 (year ending 31 December 2011) P60 includes two fields to report Universal Social Charge in this employment:
 1. Gross Pay for Universal Social Charge purposes
 2. Amount of Universal Social Charge deducted

The P60 (for the year ending 31 December 2012) will be revised with additional fields to cater for cumulative USC.

- **Individuals aged 70 and over / Individuals who hold full medical Cards**
Employers are to operate strictly on the USC rates and cut-off points advised on the P2Cs. 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 will be stated on the P2Cs issued by Revenue. Where lower rates are not stated on the P2C currently held, the employee should be advised to contact their local Revenue office to have a revised P2C issued. See FAQ 4.21 and 4.30.
- **Exemption**
Individuals are exempt from paying the USC where their total income for 2012 does not exceed €10,036 (€4,004 in 2011). In 2011, employers applied the exemption in week 1 basis payroll. With effect from 1 January 2012, employers are not to apply the exemption themselves. Where Revenue determine that the exemption applies, it will be advised on the P2C. Employers are to operate strictly on the figures advised on the P2C. Where individuals have not been granted USC exemption on the P2C,

and have earned less than €10,036 and have paid USC throughout the year, they can apply to Revenue for a refund at the end of the year.

- **2012 USC Emergency basis**

The 2012 emergency rate of USC is 7%.

No cut-off points are allowed. Deduct USC from all payments at the rate of 7%.

See FAQ 4.34.

- **No employer end-of-year recalculation**

As and from 1 January 2012, there is no employer end-of-year recalculation.

- **Payroll software**

The change from week 1 to cumulative USC will mean a different method of calculating USC deductions for employees. Employers should ensure that their payroll software is updated in order to accommodate this change.

4.33 What are employers to do where they have not received 2012 P2Cs in time to run January 2012 payroll(s)?

As soon as possible after the Budget in December 2011, Revenue will issue to employers 2012 Tax Credit Certificates (P2Cs) for all employees. In the situation where an employer has not received 2012 P2Cs in time to run January 2012 payroll(s), the following instructions apply:

- Use the *standard 2012 USC rates and thresholds (listed below) and apply them on the same basis as applies for PAYE – i.e. where the P2C carrying over from 2011 to 2012 is on a cumulative basis, apply USC on a cumulative basis; where the P2C carrying over from 2011 to 2012 is on a week 1 basis, apply USC on a week 1 basis.

*** 'Standard' 2012 USC rates and thresholds:**

- 2% on the first €10,036
- 4% on the next €5,980
- 7% on the balance.

Where an employer does not hold a P2C that has effect for 2011, as in the case of a new employee who has handed in a P45, the following instructions apply:

- P45 on a Cumulative or Week 1 basis – apply USC on a week 1 basis, using the *standard 2012 USC rates
- P45 on Emergency basis – apply USC on emergency basis (see FAQ 4.34).
- Reduced rates - in the case of individuals aged 70 and over or individuals who hold full medical cards - are **not** to be used
- 2012 USC exemption €10,036 (€4,004 in 2011) is **not** to be used.

In the first payroll run after the 2012 P2Cs are received any refunds due to employees will be made automatically.

4.34 How will the emergency basis of USC operate?

On making any payment of relevant emoluments to or on behalf of the employee, deduct USC from all such payments at the highest rate specified in column (2) of the Table to section 531AN of the Taxes Consolidation Act, 1997. No cut-off points are allowed.

Example:

An employee commences employment in July 2012 and emergency USC applies. They earn €800 p.w.

2011 Table used for illustration purposes:

Rate of universal social charge (Individual aged under 70 years)
(2)
2%
4%
7%

Emergency USC:

- Rate: 7% (2012 figure)
- Cut-off point: 0.00

Gross Pay for USC purposes: €800

USC deducted: €56.00 (800 x 7%)

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 point) applied to all payments.

See FAQ 4.33 regarding the situation where employers who hold 2011 P2Cs for employees but have not received 2012 P2Cs in time to run January 2012 payroll(s).

4.35 An employee commences employment in 2012 and hands in a 2011 P45. As there is no USC details shown on pre-2012 P45's, how is the new employer to calculate USC deductions?

2011 P45 is on a cumulative basis

Until a P2C is received, his current employer will operate payroll as follows:

- PAYE: Week 1 basis
- USC: Week 1 basis – using the *standard 2012 USC rates and thresholds (listed below).

2011 P45 is on a Week 1 basis

Until a P2C is received, his current employer will operate payroll as follows:

- PAYE: Week 1 basis
- USC: Week 1 basis – using the *standard 2012 USC rates and thresholds (listed below).

*** 'Standard' 2012 USC rates and thresholds:**

- 2% on the first €10,036
- 4% on the next €5,980
- 7% on the balance.

2011 P45 is on Emergency basis

Until a P2C is received, his current employer will operate payroll as follows:

- PAYE: Emergency basis
- USC: Emergency basis.

4.36 Revenue provides an electronic Tax Deduction Card (eTDC) at www.revenue.ie/en/business/payee/e-tax-deduction-card.html. Has this eTDC been revised to accommodate cumulative USC?

Yes. The eTDC has been updated. A new Universal Social Charge (USC) Payroll Card is also available via the same link.

4.37 How will the USC information be shown on the paper version of employer 2012 Tax Credit Certificates (P2Cs)?

See sample P2C in Appendix E. The USC information will be shown in the section below the PAYE section. USC rates and Cut-Off Points, along with previous USC pay and USC deducted, where applicable, will be shown.

Example:

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

(P2C extract)

Universal Social Charge (USC)					
Rates of USC		Exemption Case <input type="checkbox"/> N			
		Yearly COP	Monthly COP	Weekly COP	
USC Rate 1	2 %				
USC Rate 2	4 %	USC Rate 1 Cut-Off Point	10,036.00	836.34	193.00
USC Rate 3	7 %	USC Rate 2 Cut-Off Point	16,016.00	1,334.67	308.00

The following details of Gross Pay for USC purposes and USC deducted, from 1 January 2012, 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 2012**

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

€193.00	x 2%	=	3.86
€115.00 (308.00 – 193.00)	x 4%	=	4.60
€492.00 (800.00 – 308.00)	x 7%	=	<u>34.44</u>
Cumulative USC			42.90
USC deducted this payday			42.90

• **Payday 2 – 12 January 2012**

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

€386.00 (193.00 x 2)	x 2%	=	7.72
€230.00 (616.00 – 386.00)	x 4%	=	9.20
€984.00 (1,600 – 308.00)	x 7%	=	<u>68.88</u>
Cumulative USC			85.80
Less USC already paid			<u>42.90</u>
USC deducted this payday			42.90

See further example USC payroll calculations at: www.revenue.ie/en/tax/usc/usc-examples.pdf

4.38 How will the USC Exemption Marker on 2012 Employer Tax Credit Certificates (P2Cs) work?

With effect from 1 January 2012, 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 will 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 USC exemption threshold of €10,036 (€4,004 in 2011), 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 local 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

An employee earns €9,360 per annum. He is exempt from both Income Tax (PAYE) and from USC. A cumulative P2C issued to his employer, advising:

Certificate of Tax Credits and Cut-Off Points			
FOR THE YEAR 1 JANUARY 2012 TO 31 DECEMBER 2012 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 <input type="checkbox" value="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
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 2012, 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 <input type="checkbox" value="Y"/>			
The following details of Gross Pay for USC purposes and USC deducted, from 1 January 2012, 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 2012

Gross Pay for USC purposes this payday:	€180
Cumulative Gross Pay for USC purposes to date:	€180

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:	€9,360.00
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% instead of the normal 41%.

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 2012

Gross Taxable Pay:	€180
Cumulative Gross Taxable Pay:	€180

Gross Tax: 180.00 x 20% =	36.00
Less tax credits:	<u>69.24</u>
Tax due	0.00

The end of year P35 will state:

Total taxable Pay:	€9,360.00
Net Tax Deducted:	€ 0.00

4.40 – The basis of deduction (cumulative or week 1) is stated on the 2012 P2C – will the same basis of deduction apply to both PAYE and USC?

Yes. See sample 2012 P2C in Appendix E.

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 (say) 1 July 2012... ‘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 2012 P45 in Appendix F.

The layout of the form has changed. There are five sections: Employee details, PAYE, USC (new), PRSI, and Employer's declaration.

Employee details

- The 'Unit Number' field has been deleted.
- New field: in the case of a deceased employee – 'state the name and address of the personal representative of the deceased employee, if known'.
- The 'Week 1/Month 1' and the 'emergency basis' boxes have been moved to the top (employee details) section. Where an employee was on week1 basis or emergency basis at the date of cessation, the employer will mark [x] in the appropriate box.

Note

The basis of deduction applicable in payroll 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. Where an employee is on the emergency basis for PAYE, they will also be on the emergency basis for USC, and vice versa.

PAYE

- No change.

USC

- New section

PRSI

- No change

Employer declaration

- No change

The new P45, along with a P45 Helpsheet, 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

4.42 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.

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 -

www.revenue.ie/en/business/payee/guide/employers-guide-payee-tax-due.html

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 payroll figures:

Gross Pay for USC purposes:	€6,500.00
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:	€6,500.00
USC Deducted:	€ 0.00
Weekly/Monthly USC Cut-Off Point 1	0.00
Weekly/Monthly USC Cut-Off Point 2	0.00

Note: The end of year P35 will also show:

Gross Pay for USC purposes:	€6,500.00
USC Deducted:	€ 0.00

4.46 Payments such as DSP payments, payments paid under the Community Employment Schemes, Back to Education Allowance, etc. [See Appendix A for further examples] are exempt from USC. How are these payments to be treated in payroll?

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 2012 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 2012 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 and FÁS

- Rural Social Scheme
- Farm/Fish Assist
- Community Employment Scheme
- Tús (community work placement initiative)
- Job Bridge (internship scheme)
- Job Initiative Scheme
- FÁS (non apprentice payments)
- Jobseeker's Allowance and Jobseeker's Benefit
- One-Parent Family 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

Appendix B Exempt Income Sources

Section	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
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
202	Relief for agreed pay restructuring
203	Lump sum weekly payment or resettlement allowance paid under the Redundancy Payments Act, 1967
204	Military & other pensions, gratuities and allowances
205	Veterans of war of independence
216A	Rent a Room relief
216B	Scéim na bhFoghlaimoirí Gaeilge
216C	Childcare service relief

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 Universal Social Charge (USC) Certificate 2011

Universal Social Charge (USC) Certificate 2011



Employee Details

Surname of Employee

Date of Commencement
(if after 1 January 2011)

First Name

Date of Cessation

PPS Number

Payroll/Works Number

USC Details

Below are the details of the USC deducted in this employment only in the year 2011

Gross Income for USC

€ (Insert Euro figures only)

Amount of USC Deducted

€ (Including cent)

Where an employee had more than one period of employment with the same employer in the year 2011 please insert the USC figures in respect of the latest period of employment.

Employer Details

I certify that the particulars entered above are correct.

Employer

Employer Registered Number

Address

Phone No.

E-mail

Date

Employer

This certificate is to be given to the employee along with their form P45 when they cease employment.

Employee

This is a certificate of the Universal Social Charge deducted in this employment to date of cessation. Please retain carefully.

PLEASE COMPLETE THIS CERTIFICATE IN BLOCK CAPITALS

Appendix E

2012 Employer Tax Credit Certificate (paper) - P2C

(Sample P2C – Cumulative Basis showing 2012 standard rates and thresholds)

In all correspondence please quote:

Notice No.:
Registered No.:

Enquiries:

Certificate of Tax Credits and Cut-Off Points

FOR THE YEAR 1 JANUARY 2012 TO 31 DECEMBER 2012 AND FOLLOWING YEARS

Employees Name:

Employees Address:

Employees PPS No:

Staff / Personnel No:

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

Income Tax – Pay As You Earn

Exemption Case N

Yearly Tax Credits Monthly Tax Credits Weekly Tax Credits

Rates of Tax		Yearly COP	Monthly COP	Weekly COP
Tax Rate 1	20 %			
Tax Rate 2	41 %			
Tax Rate 1 Cut-Off Point		32,800.00	2,733.34	630.77

The following details of Pay and Tax deducted, from 1 January 2012, 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		Yearly COP	Monthly COP	Weekly COP
USC Rate 1	2 %			
USC Rate 2	4 %			
USC Rate 3	7 %			
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

The following details of Gross Pay for USC purposes and USC deducted, from 1 January 2012, 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

General Notes

This Certificate is effective from 1 January 2012 and cancels any previously 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 F 2012 Form P45 - Part 1

PLEASE COMPLETE THIS FORM IN CAPITAL LETTERS USING BLACK INK

P45	CERTIFICATE NO. U	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
Payroll/Works No.	Employer Registered Number	Date of Cessation	Date of Commencement (if after 1 January)
Mark box <input checked="" type="checkbox"/> if employee is deceased <input type="checkbox"/> and state the name and address of the personal representative of the deceased employee, if known.		Mark box <input checked="" type="checkbox"/> if employee was on Week 1/Month 1 basis at Date of Cessation	
Name		Mark box <input checked="" type="checkbox"/> if employee was on emergency basis at Date of Cessation	
Address		Week/Month Number	
Mark box <input checked="" type="checkbox"/> if employee was paid weekly or monthly		Weekly <input type="checkbox"/>	Monthly <input type="checkbox"/>

Weekly/Monthly Tax Credit	Weekly/Monthly Cut-Off Point
(a) Total Pay & Tax deducted from 1 January to Date of Cessation	
Total Pay	Total Tax Deducted
	(incl. cent)
PAYEE	(b) If employment started since 1 January enter Pay and Tax deducted (or Tax refunded) for this period of employment only
	Pay (this employment)
	Tax Deducted or Tax Refunded
(c) Amount of Taxable LUMP SUM PAYMENT on termination included in either pay figure above - if applicable	Mark box <input checked="" type="checkbox"/> if the tax figure at (b) is a refund
Complete section (d) or (e + f) where an employee was in receipt of taxable Illness Benefit since 1 January while employed by you	(d) Total amount of taxable Illness Benefit included in pay figure above - if applicable
(e) Amount by which Tax Credits were reduced - if applicable	(f) Amount by which Cut-Off Point was reduced - if applicable

Weekly/Monthly USC Cut-Off Point 1	Weekly/Monthly USC Cut-Off Point 2
USC	(g) Total Gross Pay for USC purposes & USC deducted from 1 January to Date of Cessation
	Total Gross Pay for USC purposes
	Total USC Deducted
(h) If employment started since 1 January enter Gross Pay for USC purposes and USC deducted (or USC refunded) for this period of employment only	Mark box <input checked="" type="checkbox"/> if the USC figure at (h) is a refund
Gross Pay for USC purposes (this employment)	USC Deducted or USC Refunded

PRSI	PRSI - This Employment Only	Total number of weeks of insurable employment	Total number of weeks at Class A or Subclass "A" in this period
	Total PRSI	Employee's Share	
	PRSI Classes other than Class A or Subclass "A" in this period		

I certify that the particulars entered above are correct.

Employer

Address

Trade name if different

Date

Phone Number

E-mail

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 **1890 77 74 25**

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

Dublin Region **1890 33 34 25**

Dublin (City and County).

East & South East Region **1890 44 44 25**

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

South West Region **1890 22 24 25**

Clare, Cork, Kerry, Limerick.

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