

Universal Social Charge Regulations 2018

Part 18D-00-02

This document should be read in conjunction with section 531AAB of the Taxes Consolidation Act 1997

Document last reviewed December 2024



Introduction

The Pay As You Earn (PAYE) system places an obligation on employers to make deductions at source of income tax, the Universal Social Charge (USC), Pay Related Social Insurance (PRSI) and local property tax (LPT) from payments made to employees and to remit such deductions to Revenue.

The operational aspects relating to the collection and reporting of USC under the PAYE system are governed by the Universal Social Charge Regulations 2018 (S.I. No. 510 of 2018). These Regulations are also known as the [USC Regulations 2018](#) and are available online. They came into effect on 1 January 2019 in respect of relevant emoluments paid on or after that date.

This Tax and Duty Manual (TDM) summarises the main provisions of the USC Regulations 2018, as amended by the [USC Regulations 2023](#) (S.I. 700 of 2023). The corresponding provision in the Universal Social Charge Regulations 2011 (S.I. No. 658 of 2011) is also shown for reference, where applicable.

1. Summary of USC Regulations 2018

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------|--|--|--------------------------------------|
| 1 | Citation and commencement | The title of the Regulations is the Universal Social Charge Regulations 2018 and they came into operation on 1 January 2019 in respect of relevant emoluments paid on or after that date. | 1 |
| 2 | Interpretation | This Regulation sets out definitions for the purposes of the Regulations. These definitions are self-explanatory. | 2 |
| 3 | Intermediate employers | Where an employee works under the general control and management of a person (the “principal employer”), who is not the immediate employer, that person is deemed the employer for the purposes of the Regulations. The principal and immediate employers must provide each other with the necessary information to enable them to comply with the Regulations and deduct or repay USC as appropriate. | 3 |
| 4 | Liability for payment of deduction and entitlement to payment of repayment | <p>Persons required to deduct or repay USC under the Regulations shall be:</p> <ul style="list-style-type: none"> • accountable for the amount of, and liable to pay, USC to Revenue, in the case of a deduction (whether or not deducted), or • entitled to be paid or given credit for USC by Revenue, in the case of a repayment, if it has been repaid to an employee and the request is made within 4 years of the end of year of assessment during | 4 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------|---|---|--------------------------------------|
| | | which the repayment or credit arises. | |
| 5 | Authorisation of functions | Anything to do be done by Revenue under the Regulations may be done by any Revenue officer or through Revenue's electronic systems. | 5 |
| 6 | Service by post or electronic means | Notices, notifications, certificates, etc. may be sent or made available by post or electronic communications. | 6 |
| 7 | Combined documents for USC and income tax | Revenue may combine any notice, notification, certificate, etc. relating to USC with such a document relating to income tax and modify it for USC or income tax purposes accordingly. | 7 |
| 8 | Determination of rate cut-off points | <p>This Regulation provides for Revenue to determine the rate cut-off points for USC for an employee for a year having regard to various matters such as:</p> <ul style="list-style-type: none"> • the amount of the relevant emoluments and relevant income, • any request by the employee regarding the allocation of the rate cut-off points to different employments, • the age of the employee, • the eligibility of the employee for a full medical card, • entitlement to reliefs from USC, • USC overpaid or underpaid in earlier years, and • any other adjustment to ensure that the correct | 8 & 10 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------|---|---|--------------------------------------|
| | | <p>amount of USC is deducted.</p> <p>No rate cut-off points will be determined where an employee's gross annual income for USC is expected to be less than the exemption threshold of €13,000.</p> <p>Where an employee has more than one employment, he/she may direct Revenue to allocate rate cut-off points between employments in a specific manner.</p> | |
| 9 | Objection and appeal against a determination of rate cut-off points | <p>After Revenue has determined the amount of rate cut-off points appropriate to an employee, Revenue must make a notice of determination available to the employee.</p> <p>If aggrieved by the determination, the employee may give notice of any objection to Revenue, stating the grounds. This must be done within 21 days of notification of the determination.</p> <p>Revenue may amend the determination upon receipt of the objection.</p> <p>If agreement cannot be reached between an employee and Revenue, the employee may appeal to the Appeal Commissioners within 30 days of objecting.</p> <p>The Appeal Commissioners shall then determine the appropriate amount of rate cut-off points</p> <p>Revenue shall make available to the employee any amended notice of</p> | 10 & 11 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------------|--|---|---|
| | | <p>determination.</p> <p>A revenue payroll notification (RPN) showing the rate cut-off points may be made available to the employer, notwithstanding that the determination is the subject of an objection or appeal.</p> | |
| 10 | Revenue payroll notification to employer | <p>This Regulation provides that when Revenue has determined the amount of rate cut-off points due to an employee for a year, a revenue payroll notification (RPN) will be sent or made available to the employer.</p> <p>The RPN will set out:</p> <ul style="list-style-type: none"> • the amount of rate cut-off points due, and any details of cumulative pay and USC from a previous employment in that year, or • that the employee is exempt from paying USC. <p>Separate RPN's are needed if an employee has more than one employment (including with the same employer).</p> <p>An employer must:</p> <ul style="list-style-type: none"> • use the information on the RPN to calculate USC payable or USC refundable to an employee, and • where appropriate, use the electronic system made available by Revenue. | 10 |
| 11 | Amendment of rate cut-off | An amended determination may be issued by Revenue where the | 11 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------|---|---|--------------------------------------|
| | points | <p>employee's circumstances have changed.</p> <p>The amended determination must issue to the employee no later than when a new RPN issues or is made available to the employer.</p> <p>The employee may object to, and appeal against, an amended determination in accordance with the provisions of Regulation 9.</p> <p>Where Revenue amends a determination after an RPN has been issued, a new RPN must issue to the employer, and the employer must use the new RPN.</p> | |
| 12 | General provision for deductions and repayments | On payment of relevant emoluments by an employer to an employee, deductions or repayments of USC shall be made subject to, and in accordance with, the Regulations. | 13 |
| 13 | Notification of payment of emoluments | <p>This Regulation sets out the information that is required to be sent to Revenue and recorded by an employer, on or before the making of any payment of relevant emoluments e.g. employee PPSN, date and amount of payment, etc.</p> <p>This information must be kept by the employer for a period of 6 years after the end of the year to which it refers, or a shorter period where authorised in writing by Revenue.</p> | 15 |
| 14 | Calculation and making of deduction or | This Regulation sets out how USC should be calculated and either deducted or repaid using the cumulative system. | 15 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------|--|---|--------------------------------------|
| | repayment | Examples of how to calculate USC deductions can be found online and in Chapter 9 of Tax and Duty Manual Part 42-04-35A 'The Employers' Guide to PAYE with effect from January 2019'. | |
| 15 | Deduction of USC in respect of notional payments | <p>The employer is obliged to deduct USC in respect of notional pay either on the day the notional payment is made, or if no relevant emoluments are paid on that day, the earlier of</p> <ul style="list-style-type: none"> • the next pay day, and • 31 December in that year. <p>Where the actual payments of relevant emoluments to an employee are insufficient to meet the USC liability, the employer will be liable for any shortfall in the amount of USC due.</p> <p>Where a notional payment is in respect of any of the following:</p> <ul style="list-style-type: none"> • the private use of a company car or van, • the benefit arising from a preferential loan, or • the benefit arising from the use of an asset belonging to the employer, <p>the following treatment applies:</p> <ul style="list-style-type: none"> • the amount of the notional pay is to be apportioned over the period for which the benefit is available in the year, and • the employer shall deduct USC in respect of the portion of that notional pay arising for each pay period within the period for which the benefit is | 14 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------|----------------------------|---|--------------------------------------|
| | | available. | |
| 16 | Deduction in special cases | <p>This Regulation applies to:</p> <ul style="list-style-type: none"> • payments made in week 53 (i.e. on 30/31 December in a leap year and 31 December in other years), and • any other payments to which Revenue directs that it should be applied. <p>Where this Regulation applies, the employer must calculate the USC deduction as if the relevant emoluments were paid on the previous 1 January (i.e. on a Week 1 basis) rather than on a cumulative basis under Regulation 14.</p> | 17 |
| 17 | Arrears of pay | <p>This Regulation applies to arrears of pay to an employee who has ceased an employment.</p> <p>Where an RPN is available, the former employer must calculate the USC due on the relevant emoluments by reference to the RPN.</p> <p>Where an RPN is not available, USC is deducted at the highest rate of USC (8%).</p> | 18 |
| 18 | Death of employee | <p>On the death of an employee, the date of death is treated as the date of cessation of employment.</p> <p>If relevant emoluments are paid by the employer after the date of death, the employer must deduct or repay USC as if the employee was still in their employment on the date the payment is made.</p> | 20 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------------|--|--|---|
| 19 | Emergency basis of deduction | <p>The emergency basis must be used by an employer where an RPN has not been received by, or made available to, an employer in respect of an employee. It provides for USC to be deducted at the highest rate (8%) on all relevant emoluments.</p> <p>Once an RPN is received by or made available to an employer, the cumulative basis should be applied.</p> | 21 |
| 20 | USC paid by employer to or for benefit of employee | Where payment is made to an employee on a net pay basis, the "pay" for USC purposes is the amount, which, after deduction of USC, would give the amount actually received by the employee. | 23 |
| 21 | Repayment during sickness and unemployment | <p>If an employee receives no relevant emoluments from his or her employer while absent from work through illness (or other similar cause), the employee may apply to the employer for a repayment of USC.</p> <p>If an employee is absent from work other than through illness and is not in receipt of relevant emoluments, the employer shall either:</p> <ul style="list-style-type: none"> (a) make any repayment of USC that may be due to the employee, or (b) notify Revenue that the employee is absent from work and that no refund of USC will be made to the employee while absent. This should be done by the employer no | 24 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------------|--|---|---|
| | | <p>later than the first usual pay day.</p> <p>In the latter case, the employer need not make a repayment.</p> <p>An employer must notify Revenue immediately after an employee returns to work. USC must then be deducted on an emergency basis if an RPN has not been issued or made available to the employer after the employee resumes work.</p> <p>In the case of an individual who has ceased to be employed or with respect to whom a notification has been sent under paragraph (2)(b), any repayment of USC which may be due will be made to that individual by Revenue.</p> | |
| 21A | Certain repayment before end of the year | <p>An employer may, in certain circumstances and where no payment of emoluments is made during the last income tax month of the year, make a repayment of USC to an employee during the last income tax month of the year so that the employee can get the benefit of any unused rates and bands at the end of the year under the cumulative PAYE system.</p> <p>The employer is required to use the latest RPN sent or made available to them as the basis for calculating any repayment of USC.</p> <p>An employer can make a repayment of USC under this Regulation only where an RPN has been sent or made available to them and where tax is deductible on a cumulative basis, i.e., the RPN</p> | |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------------|----------------------------|---|---|
| | | is issued on a cumulative basis. | |
| 22 | Payment of USC by employer | <p>Employers are required within 14 days from the end of every month to pay to the Collector-General all USC they are liable to deduct, less any USC they are liable to repay during the month.</p> <p>The due date for payment is extended to the 23rd day after the end of the month where the employer's monthly return and payment are made electronically (through Revenue's Online Service) and on time.</p> <p>An agreement with the Collector-General under section 991A TCA 1997 to pay income tax by monthly direct debit may be extended to include USC where:</p> <ul style="list-style-type: none"> • the monthly direct debit payments represent the total USC due, • each monthly payment is made by the due date, and • the employer has complied with these Regulations. <p>Any balance of USC due at year end must be paid by the due date for December.</p> <p>A direct debit arrangement in respect of USC will be deemed not to have entered into effect where:</p> <ul style="list-style-type: none"> • the total USC paid by an employer for that year is less than 90 per cent of the total USC due, or • either the Collector-General or | 26 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|------------------------|----------------------------------|---|--------------------------------------|
| | | <p>the employer terminates the direct debit agreement.</p> <p>The Collector-General may send a receipt to the employer in respect of USC paid. The receipt may apply to one or more payments of USC.</p> | |
| 23 | Inspection of employer's records | <p>An employer must make all relevant payroll documentation available to an authorised officer on request. "Authorised officer" is defined in Regulation 2 as an officer of the Revenue Commissioners authorised by them for the purposes of the Income Tax Regulations.</p> <p>Where an authorised officer requests production of payroll documentation, he or she must, on request, show his or her authorisation.</p> <p>Payroll documentation must be retained by an employer for a period of 6 years after the end of the year to which the documentation refers or for such shorter period as the Revenue Commissioners may authorise in writing.</p> | N/A |
| 24 | Death of employer | Where an employer dies, his or her obligations under the Regulations are transferred to his or her personal representative, or in the case of a deceased employer who paid relevant emoluments on behalf of another person, to the person who succeeds the deceased employer, or in default of a successor, to the person on | 29 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|---------------------------------------|-----------------------------------|---|---|
| | | whose behalf emoluments were paid. | |
| 25 | Succession to a business, etc | <p>This Regulation deals with the situation where an individual's employment continues but the employer changes.</p> <p>For the purposes of these Regulations, the employee will not be treated as having ceased employment and the new employer will be required to do anything that the previous employer would have been required to do if the change had not taken place.</p> <p>However, the new employer is not liable for payment of USC deductible from relevant emoluments paid prior to the change.</p> | 30 |
| 26 | Assessment of relevant emoluments | Nothing in these Regulations shall prevent an assessment to USC being made on a person in respect of his or her relevant emoluments for any year. | 31 |
| 27 | End of year review | Revenue may issue a statement to an employee after the end of the year outlining his or her USC liability and showing how it is proposed to deal with any underpayment or overpayment of USC. | 33 |
| 28 | Recovery of underpayments | Where an assessment shows USC underpaid, Revenue may require the employee to pay the amount to the Collector-General, instead of adjusting for a subsequent year the rate cut-off points for USC, or the | 35 |

| 2018 Regulation Number | Title | Description | Corresponding 2011 Regulation Number |
|---------------------------------------|-------------------------------|---|---|
| | | <p>tax credits or standard rate cut-off point for income tax. Where so required, the employee shall pay the amount due.</p> <p>In determining the amount of any USC underpayment, adjustment may be made to reflect any overpayment or underpayment in respect of earlier years.</p> | |
| 29 | Recovery of tax from employee | <p>Any USC which is to be remitted to the Collector-General by an employee under Regulation 28 must be remitted within 14 days of the date on which the Collector-General first makes application there for.</p> <p>The normal tax recovery provisions in Part 42 TCA 1997 will apply to the recovery of any USC which is to be remitted to the Collector-General by an employee.</p> | 35 |
| 30 | Revocation | <p>The Universal Social Charge Regulations 2011 (S.I. No. 658 of 2011) are revoked. However, those Regulations continue to apply to any payment of relevant emoluments made on or before 31 December 2018.</p> | N/A |