



Information Services
Department of Social and Family Affairs
Social Welfare Services
College Road
Sligo

2009

Advance notice of PRSI changes for computer users

This notice contains rate changes announced in the October 2008 Budget.
Changes are effective from 1 January 2009.

► Employee's annual earnings ceiling

The employee's annual earnings ceiling (above which they pay no social insurance contributions) has increased from €50,700 to €52,000.

► Employee's income thresholds

- The threshold for employee PRSI remains at €352 a week.
- The threshold for payment of the 2% Health Contribution remains at €500 a week.
- There is no change to the additional 0.5% Health Contribution on earnings exceeding €1,925 per week (equivalent to €3,850 per fortnight and to €8,342 per month).
- The annual earnings threshold for the Health Contribution remains at €26,000.

► Employee's PRSI-Free Allowance

The PRSI-Free Allowance for employees in Classes A and H with weekly earnings of more than €352 remains at €127 per week and at €26 per week for all employees in Classes B, C and D.

For employees paid other than weekly, alternatives to the PRSI-Free Allowance are:

Classes	A	B,C,D
Fortnightly	€254	€52
Monthly	€551	€113

► Self-employed PRSI

The minimum annual contribution for Class S remains at €253.

► Earnings bands and subclasses

Subclasses	AO	A6, A8, BO, CO, DO and HO
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Weekly	€38 to €352	≤€352
Fortnightly	€76* to €704	≤€704
Monthly	€165* to €1,525	≤€1,525

*This threshold only applies to Class A employees, whose total earnings in each week of the fortnight or month are at least €38.

Subclass	AX
Weekly	€352.01 to €356
Fortnightly	€704.01 to €712
Monthly	€1,525.01 to €1,543

Subclass	AL
Weekly	€356.01 to €500
Fortnightly	€712.01 to €1,000
Monthly	€1,543.01 to €2,167

Subclasses	A7, BX, CX, DX and HX	A9	JO, M and SO
Weekly	€352.01 to €500	>€352	≤€500
Fortnightly	€704.01 to €1,000	>€704	≤€1,000
Monthly	€1,525.01 to €2,167	>€1,525	≤€2,167

Subclasses	A1, A2, A4 and A5
Weekly	> €500
Fortnightly	> €1,000
Monthly	> €2,167

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

PRSI contribution rates from 1 January 2009

Non-cumulative weekly earnings bands	PRSI Subclass	How much of weekly earnings	Cumulative earnings ceiling					
			first €52,000			over €52,000		
			EE	ER	EE+ER	EE	ER	EE+ER
			%	%	%	%	%	%

Private and some public sector employments

Up to €37.99	JO*	All	0	0.50	0.50	0	0.50	0.50
€38 - €352	AO	All	0	8.50	8.50	0	8.50	8.50
€352.01 - €356	AX	First €127	0	8.50	8.50	0	8.50	8.50
		Balance	4.00	8.50	12.50	0	8.50	8.50
€356.01 - €500	AL	First €127	0	10.75	10.75	0	10.75	10.75
		Balance	4.00	10.75	14.75	0	10.75	10.75
More than €500	A1	First €127	2.00	10.75	12.75	2.00	10.75	12.75
		€127.01 to €1,925	6.00	10.75	16.75	2.00	10.75	12.75
		Balance	6.50	10.75	17.25	2.50	10.75	13.25
	A2	First €127	0	10.75	10.75	0	10.75	10.75
		Balance	4.00	10.75	14.75	0	10.75	10.75

Use the following subclasses (A6, A7, A4 and A5) only for approved employees under the Employer's PRSI Exemption Scheme.

Up to €352	A6	All	0	0	0	0	0	0
€352.01 - €500	A7	First €127	0	0	0	0	0	0
		Balance	4.00	0	4.00	0	0	0
More than €500	A4	First €127	2.00	0	2.00	2.00	0	2.00
		€127.01 to €1,925	6.00	0	6.00	2.00	0	2.00
		Balance	6.50	0	6.50	2.50	0	2.50
	A5	First €127	0	0	0	0	0	0
		Balance	4.00	0	4.00	0	0	0

Use the following subclasses for Community Employment participants.

Up to €352	A8	All	0	0.50	0.50	0	0.50	0.50
More than €352	A9	First €127	0	0.50	0.50	0	0.50	0.50
		Balance	4.00	0.50	4.50	0	0.50	0.50

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

Up to €500	JO	All	0	0.50	0.50	0	0.50	0.50
More than €500	J1	First €1,925	2.00	0.50	2.50	2.00	0.50	2.50
		Balance	2.50	0.50	3.00	2.50	0.50	3.00
	J2	All	0	0.50	0.50	0	0.50	0.50
FÁS Allowance	J9	All	0	0.50	0.50	Training in FÁS training centres		

Occupational Pensions

More than €500	K1	First €1,925	2.00	0	2.00	2.00	0	2.00
		Balance	2.50	0	2.50	2.50	0	2.50
All	M	All	0	0	0	0	0	0

Class M relates to people with a nil contribution liability (such as employees under age 16) or to people within Class K with a nil contribution liability (such as people aged 70 or over, medical card holders, widows and widowers, etc.).

PRSI contribution rates from 1 January 2009

Non-cumulative weekly earnings bands	PRSI Subclass	How much of weekly earnings	Cumulative earnings ceiling					
			first €52,000			over €52,000		
			EE	ER	EE+ER	EE	ER	EE+ER
			%	%	%	%	%	%

Public sector employments

Up to €352	BO	All	0	2.01	2.01	0	2.01	2.01
€352.01 - €500	BX	First €26	0	2.01	2.01	0	2.01	2.01
		Balance	0.90	2.01	2.91	0	2.01	2.01
More than €500	B1	First €26	2.00	2.01	4.01	2.00	2.01	4.01
		€26.01 to €1,925	2.90	2.01	4.91	2.00	2.01	4.01
		Balance	3.40	2.01	5.41	2.50	2.01	4.51
	B2	First €26	0	2.01	2.01	0	2.01	2.01
Balance		0.90	2.01	2.91	0	2.01	2.01	

Up to €352	CO	All	0	1.85	1.85	0	1.85	1.85
€352.01 - €500	CX	First €26	0	1.85	1.85	0	1.85	1.85
		Balance	0.90	1.85	2.75	0	1.85	1.85
More than €500	C1	First €26	2.00	1.85	3.85	2.00	1.85	3.85
		€26.01 to €1,925	2.90	1.85	4.75	2.00	1.85	3.85
		Balance	3.40	1.85	5.25	2.50	1.85	4.35
	C2	First €26	0	1.85	1.85	0	1.85	1.85
Balance		0.90	1.85	2.75	0	1.85	1.85	

Up to €352	DO	All	0	2.35	2.35	0	2.35	2.35
€352.01 - €500	DX	First €26	0	2.35	2.35	0	2.35	2.35
		Balance	0.90	2.35	3.25	0	2.35	2.35
More than €500	D1	First €26	2.00	2.35	4.35	2.00	2.35	4.35
		€26.01 to €1,925	2.90	2.35	5.25	2.00	2.35	4.35
		Balance	3.40	2.35	5.75	2.50	2.35	4.85
	D2	First €26	0	2.35	2.35	0	2.35	2.35
Balance		0.90	2.35	3.25	0	2.35	2.35	

Up to €352	HO	All	0	10.05	10.05	0	10.05	10.05
€352.01 - €500	HX	First €127	0	10.05	10.05	0	10.05	10.05
		Balance	3.90	10.05	13.95	0	10.05	10.05
More than €500	H1	First €127	2.00	10.05	12.05	2.00	10.05	12.05
		€127.01 to €1,925	5.90	10.05	15.95	2.00	10.05	12.05
		Balance	6.40	10.05	16.45	2.50	10.05	12.55
	H2	First €127	0	10.05	10.05	0	10.05	10.05
Balance		3.90	10.05	13.95	0	10.05	10.05	

Self-employed (on PAYE system only)

Up to €500	SO	All	3.00	0	3.00	3.00	0	3.00
More than €500	S1	All up to - €1,925	5.00	0	5.00	5.00	0	5.00
		Balance	5.50	0	5.50	5.50	0	5.50
	S2	All	3.00	0	3.00	3.00	0	3.00

Important points to note

- The annual earnings ceiling for PRSI has from **€50,700** to **€52,000** for employees in Classes A, B, C, D and H, effective from 1 January 2009.
- There is no change to the additional 0.5% Health Contribution on earnings exceeding €1,925 per week (equivalent to €3,850 per fortnight and to €8,342 per month).
- Class A employees earning between €38 and €352 inclusive per week should be recorded under Subclass AO.
- Class A employees earning between €352.01 and €356 per week should be recorded under Subclass AX.
- Class A employees earning between €356.01 and €500 per week should be recorded under Subclass AL.
- Community Employment participants earning €352 or less per week should be recorded under Subclass A8. Subclass A9 applies when earnings are more than €352 per week.
- Medical card holders and people who get a Widow's or Widower's Pension, a One-Parent Family Payment or Deserted Wife's Benefit/Allowance do not have to pay any Health Contribution (2% or 2.5%) in any week where the reckonable earnings are more than €500. Where earnings are more than €500, record under Subclass 2 - that is, A2, B2, C2, D2, H2, J2, S2 or Class M (for people within Class K), as appropriate.
- People aged 70 or over do not pay any Health Contribution (2% or 2.5%), regardless of whether or not they have a medical card.
- The Class J contribution normally relates to people with reckonable earnings of less than €38 per week (from all jobs). However, a small number of employees are insurable at Class J, regardless of earnings - for example, employees over age 66 and people in subsidiary employment.
- For employees taken on under the Employer's PRSI Exemption Scheme, Subclass A6 is applied to employees earning €352 or less per week - normally insurable at Subclass AO. Subclass A7 is for those earning between €352.01 and €500 inclusive per week - normally insurable at Subclass AX or AL. In any week where earnings exceed €500, Subclass A4 applies to exempted employees who would normally be insurable at Subclass A1. Subclass A5 applies to those who would normally be insurable at Subclass A2 (i.e. medical card holders, and people getting a Widow's or Widower's Pension, a One Parent Family Payment or Deserted Wife's Benefit/ Allowance).
- You can download PRSI information booklets from our website at **www.welfare.ie**.

When completing a P35, P60 or P45, do not include any class or subclass of PRSI that did not apply during the year