

Universal Social Charge (USC)

The Universal Social Charge (USC) is a tax you pay if your gross income is more than €13,000 per year. Once your income is over this limit, you pay the relevant rate of USC on all of your income.

Employer Tax Credit Certificates (P2Cs), as well as displaying PAYE rates and cut-off points, also show USC rates and cut-off points. The Revenue will inform the employer of any changes and will issue a revised Tax Credit Certificate.

Exemptions:

1. All Department of Social Protection payments, including Maternity Benefit and State pensions, are exempt from the Universal Social Charge.
2. If you are 70 or over or a medical card holder under 70 and your aggregate income for the year is €60,000 or less you pay a reduced rate of USC (See Note 1)
3. Statutory redundancy payments are exempt from the charge.

The Universal Social Charge is payable on all employee pension contributions.(see Note 2)

Rates

If your income is less than €13,000 you pay no Universal Social Charge (USC). Once your income is over this limit, you pay the relevant rate of USC on all of your income.

USC Thresholds 2017	Rates
Income up to €12,012.00	0.5%
Income from €12,012.01 to €18,772.00	2.5%
Income from €18,772.01 to €70,044.00	5%
Income above €70,044.00	8%

Note 1: *Reduced rates of USC apply to:*

- *People aged 70 or over whose aggregate income for the year is €60,000 or less*
- *Medical card holders under 70 whose aggregate income for the year is €60,000 or less*

'Aggregate' income for USC purposes does not include payments from the Department of Social Protection.

You must hold a full medical card (including a Health Amendment Act Card) to qualify for the reduced rate. People who hold a GP Visit Card, a Drugs Payment Scheme Card, a European Health Insurance Card or a Long-term Illness Scheme Card do not qualify for the reduced rate.

If a person reaches 70 years at any stage during the year they will benefit from the maximum 2.5% rate for the whole year.

Note 2: Pension contributions

Approved Retirement Benefit Scheme: An employer's or pension provider's contribution to an approved retirement benefit scheme is not liable to the Universal Social Charge, but an employee's contributions are.

PRSA: From 1 January 2016, employer contributions to your Personal Retirement Savings Account (PRSA) are no longer subject to USC. Up to 31 December 2015, these contributions were subject to USC.