

Advisory Note

What deductions are made from the Gross pay?

PAYE & USC

- An employer is required to operate PAYE, for each employee on their payroll.
- The employee should register the employment with Revenue using [myAccount](#).
- Revenue will issue tax credits, cut-off points and USC rates (P2C's) to the employer which can be downloaded from the Revenue website and imported to a computerised payroll system.
- The Payroll system will calculate the correct tax and USC to deduct. If a person reaches 70 years at any stage during the year they will benefit from the maximum USC rate of 4% rate for the whole year. If you have not received a Tax Credit Certificate for an Employee you must apply the Emergency USC rate of 8%. The USC charge will not apply to Maternity Benefit.

PRSI

- The PRSI class for privately paid personnel will be the A Class. The computerised Payroll system will calculate the correct PRSI once the correct class is entered for each employee.
- However, a small number of employees are insurable at Class J, no matter how much they earn, such as employees aged 66 or over or people in subsidiary employment.

Taxation of Jobseekers, Illness Benefit and Maternity Benefit

- Illness Benefit, Jobseeker's Benefit and Maternity Benefit are considered as income for tax purposes and are taxed from the first day of payment, except for payments for qualified child(ren) which are not taxable.

Rates of Pay

- Each employee's rate of pay is set out in their contract of employment and any changes to this rate of pay must be approved by the Board. Each individual Board is entitled to make their own arrangements with employees.

If you need any further information please email primary@fssu.ie or phone (01) 9104020.