



R0841 PAC33

Ms Sarah Cremin
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2 D02 XR20

Your ref: S0539 PAC33

22 October 2021

Dear Ms Cremin,

I refer to your letter dated 11 October 2021 regarding a request from the Public Accounts Committee for clarification from this Department on Revenue's collection of PRSI from RTE.

In response to a Parliamentary Question from the Chair of the Committee in May earlier this year the Minister for Social Protection, Heather Humphreys, T.D., set out how this Department's Employment Status Investigation Unit is undertaking an investigation of the employment status of people engaged as contractors by RTE. RTE is fully engaged in this process and is cooperating fully with the Department as are the contractors with whom the Department has engaged. Given the number of individual contractors involved and the duration of contracts to be considered, this investigation will take some time to complete.

I understand that the Committee is aware that RTE commissioned Eversheds in 2018 to undertake a desktop review of the contracts of 433 contractors which included a small element of retrospective analysis back to 2018. I also understand that, separately, the Revenue Commissioners conducted an organisational tax audit of RTE (which incorporated PRSI between 2015 and 2018) resulting in approximately €953,000 being collected in respect of PRSI. While Revenue has agreed this settlement in respect of its audit, it is not possible at this juncture to say what additional level of PRSI liability, if any, may eventually arise from the Department's own investigation.

This Department's investigation involves an investigation of the employment status of each of over 500 individual contractors from their original dates of engagement by RTE.

Inspectors and deciding officers in this Department are statutory officers with the statutory power to investigate and decide the employment status (including the duration of any such status) and the correct rate of PRSI applicable to any individual. In undertaking these functions, this Department examines the specific circumstances of each individual's contract and working arrangements by applying relevant provisions of Social Welfare legislation and principles determined by the Courts in case law.

These principles are set out in the [Code of Practice on Determining Employment Status](#) which was recently revised and launched by the Minister on 21 July 2021.

During our investigations, Inspectors interview both the worker and the contracting organisation. In doing this they obtain detailed and specific information about the precise terms and conditions of the engagement. This can be a complex and demanding process.

If it is determined, on foot of a decision, that any worker has been misclassified as self-employed for some or all of their engagement and class A PRSI contributions should have been returned for that time, compliance action will be undertaken by this Department. This would include arrears being assessed against RTE for the entire period of the misclassification. If it transpires that such assessed arrears exceed the amount already paid following the Revenue audit, the additional liabilities will be collected from RTE by Revenue.

I trust this clarifies the position for the Committee. The Department is available to provide any further assistance required.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John McKeon', written in a cursive style.

John McKeon

Secretary General