

Note on Class A PRSI Employee Contribution Anomaly

Simple Explanation of Employee PRSI for Class A Employees

Note 1

Person Earning	€352.00 per week	pays	€0	PRSI per week
Person Earning	€424.00 per week	pays	€16.96	PRSI per week
Additional Earnings	€72.00 per week (€424 minus €352)	16.96	Additional PRSI	

€16.96 divided by €72.00 gives 23.6%. This means that the Rate of PRSI on any Additional Earnings (Class A Employee) between €352 per week and €424 per week is 23.6%

The calculation of Taxation and USC are done on an annual Basis so it is worthwhile to calculate Employee PRSI on an Annual Basis (Class A)

Annual Income of	€18,304	PRSI	€0
Annual Income of	€22,048	PRSI	€882
Additional Earnings	€3,744	€882 Additional PRSI	

€22,048 minus €18,304 gives €3,744. Additional Income. €882 PRSI divided by €3,744 gives 23.6%.

This means that the Rate of PRSI on any Additional Earnings between €18,304 pa and €22,048 per week is 23.6% for a Class A Employee.

Analysis of All State Deductions on Earnings of Low-Income Workers on an Annual Basis

USC USC is charged at 2% on all additional earnings between €12,012 and €25,760 and at 4% on Additional Earnings above €25,760

Income Tax Single worker with no Dependents has a Tax Credit of €3,750 so pays no Tax on the first €18,750 pa but pays at 20% on all Additional Earnings above €18,750 up to €42,000

PRSI Class A Employee	Earnings up to €18,304 –	0% PRSI
	Earnings between €18,304 and €22,048	23.6% PRSI
	Earnings above €22,048	4% PRSI

Calculating all State Deductions

Income Range	USC	Income Tax	PRSI	Total State Deductions
€12,012 - €18,304	2%	0%	0%	2%
€18,304 - €18,750	2%	0%	23.6%	25.6%
€18,750 - €22,048	2%	20%	23.6%	45.6%
€22,048 - €25,760	2%	20%	4%	26%
€25,760 – €42,000	4%	20%	4%	28%

This means that ordinary low skills workers earning between €18,750 and €22,048 are suffering deductions of 45.6% on their additional Earnings. (This is between €361 and €424 per week). The National Minimum Wage is now €12.70 (from January 2024). A Minimum Wage worker working more than 28 hours per week is now caught with deductions of 45.6% in deductions from extra hours worked.

Note 1 Sections from Dept of Social Protection Website of PRSI and Community Information Websites attached which attempt to explain PRSI Deductions

PRSI Class A Rates

From [Department of Social Protection](#)

Published on 4 February 2020

Last updated on 18 January 2024

Employees in the following employments aged between 16 and pensionable age, currently 66 years of age, and those born on or after 1 January 1958 aged between 66 and 70 years who have not been awarded the State Pension (Contributory) will be classed as PRSI Class A:

- people in industrial, commercial and service-type employment who are employed under a contract of service with reckonable pay of €38 or more per week from **all** employments; and
- civil and public servants recruited from 6 April 1995

These employees will pay the rate in the table below.

Class A from 1 January 2024 All income(*)

Weekly income band	PRSI Subclass	How much of weekly income	Employee %(*)	Employer %
€38 - €352	A0	All	Nil	8.80
€352.01 - €424(**)	AX	All	4.00	8.80
€424.01 - €441(**)	AL	All	4.00	8.80
More than €441	A1	All	4.00	11.05

**A tapered employee PRSI Credit of €12 per week applies on earnings between €352.01 and €424

Class A employees From **Community Information Service**

If you are earning **€352 or less** per week (before tax is deducted), you will not pay any social insurance. This does not mean that you are not getting a contribution. You are still covered by Class A social insurance. Your employer is paying social insurance on your behalf.

If you earn **over €352** per week, you pay 4% PRSI on all your earnings. A PRSI credit was introduced in 2016 which reduces the amount of PRSI payable for people earning between €352.01 and €424 per week. The credit is tapered and the amount of the credit depends on your earnings. The maximum credit is €12. For example, if you earn €352.01 per week, you will get the maximum PRSI credit of €12. On these earnings of €352.01, your PRSI charge (calculated at 4% of your earnings) would be €14.08. After the €12 credit is deducted, you will pay PRSI of €2.08.

If you earn between €352.01 and €424 per week, the maximum credit of €12 is reduced by one-sixth of the amount of your weekly earnings over €352.01.

You work out how much PRSI you will pay in four steps. First, calculate one-sixth of your earnings over €352.01. Then subtract this from the maximum credit of €12 to get your PRSI credit. Then calculate the basic PRSI charge at 4% of your earnings. Finally, deduct your PRSI credit from the PRSI charge. The result is the amount of PRSI you pay.

For example, for gross weekly earnings of €377:

1. Calculate one-sixth of your earnings over €352.01. $€377 - €352.01 = €24.99$. Divided by 6 = €4.17.
2. Subtract this from the maximum credit of €12, giving you a credit of €7.83.
3. The basic PRSI charge is 4% of €377 = €15.08.
4. You will pay €7.25 PRSI weekly (€15.08 minus your €7.83 PRSI credit).

To find out more about PRSI credit and see examples, go to the Department's [website](#).