



STATUTORY INSTRUMENTS.

**S.I. No. 684 of 2010**



SOCIAL WELFARE (CONSOLIDATED CONTRIBUTIONS AND  
INSURABILITY) (AMENDMENT) REGULATIONS 2010

**(Prn. A10/2001)**

## SOCIAL WELFARE (CONSOLIDATED CONTRIBUTIONS AND INSURABILITY) (AMENDMENT) REGULATIONS 2010

The Minister for Social Protection, in exercise of the powers conferred on him by sections 2, 4, 14, 17, 25, 30D (inserted by section 14 of the Social Welfare and Pensions Act 2010) and 38 of, and Part 3 of Schedule 1 to, the Social Welfare Consolidation Act 2005 (No. 26 of 2005), hereby makes the following Regulations:

*Citation.*

1. (1) These Regulations may be cited as the Social Welfare (Consolidated Contributions and Insurability) (Amendment) Regulations 2010.

(2) These Regulations and the Social Welfare (Consolidated Contributions and Insurability) Regulations 1996 to 2009 shall be read together as one and may be cited together as the Social Welfare (Consolidated Contributions and Insurability) Regulations 1996 to 2010.

*Commencement.*

2. These Regulations come into operation on 1 January 2011.

*Definitions.*

3. In these Regulations “the Principal Regulations” means the Social Welfare (Consolidated Contributions and Insurability) Regulations 1996 (S.I. No. 312 of 1996).

*Reckonable earnings and reckonable income.*

4. Article 3 of the Principal Regulations is amended—

(a) by substituting the following definition for the definition of “reckonable earnings”:

“ ‘reckonable earnings’ means—

(a) in the case of an employed contributor, not being a special contributor—

(i) emoluments derived from insurable employment or insurable (occupational injuries) employment, to which Chapter 4 of Part 42 of the Act of 1997 applies, but without regard to Chapter 1 of Part 44 of that Act,

(ii) and shall include—

*Notice of the making of this Statutory Instrument was published in “Iris Oifigiúil” of 21st January, 2011.*

- (I) the receipt of a right to receive the beneficial interest in shares passing or to be passed to that individual by virtue of an appropriation of shares under section 510(3) of the Act of 1997,
  - (II) any gain realised by the exercise of the right in accordance with the provisions of a savings-related share option scheme to which section 519A of the Act of 1997 relates,
  - (III) a chargeable amount computed in accordance with section 128C of the Act of 1997,
  - (IV) restricted shares as provided for in section 128D(3) of the Act of 1997,
  - (V) forfeitable shares as provided for in section 128E(3) of the Act of 1997,
  - (VI) any gain realised from the exercise, assignment or release of a right to acquired shares or other assets to which section 128(2A) of the Act of 1997 relates,
- (b) in the case of a special contributor—
- (i) salaries, wages or other remuneration including non-pecuniary remuneration derived from insurable employment or insurable (occupational injuries) employment to which the Act of 1997 (other than Chapter 4 of Part 42) applies or would apply if the employed contributor in receipt of the remuneration were resident in the State, but without regard to Chapter 1 of Part 44 of that Act,
  - (ii) and shall include—
    - (I) the receipt of a right to receive the beneficial interest in shares passing or to be passed to that individual by virtue of an appropriation of shares under section 510(3) of the Act of 1997,
    - (II) any gain realised by the exercise of the right in accordance with the provisions of a savings-related share option scheme to which section 519A of the Act of 1997 relates,
    - (III) a chargeable amount computed in accordance with section 128C of the Act of 1997,
    - (IV) restricted shares as provided for in section 128D(3) of the Act of 1997,

(V) forfeitable shares as provided for in section 128E(3) of the Act of 1997,

(VI) any gain realised from the exercise, assignment or release of a right to acquired shares or other assets to which section 128(2A) of the Act of 1997 relates,

(iii) payments to persons attending or engaged in courses or schemes provided or approved—

(I) under section 4 of the Labour Services Act, 1987 (No. 15 of 1987),

(II) under section 4 of the Agriculture (Research, Training and Advice) Act, 1988 (No. 18 of 1988), or

(III) by CERT Limited;”,

(b) by substituting the following definition for the definition of “reckonable income”:

“ ‘reckonable income’, in relation to a voluntary contributor, means—

(a) all income derived from any employment, including any trade, business, profession, office or vocation,

(b) and shall include—

(i) the receipt of a right to receive the beneficial interest in shares passing or to be passed to that individual by virtue of an appropriation of shares under section 510(3) of the Act of 1997,

(ii) any gain realised by the exercise of the right in accordance with the provisions of a savings-related share option scheme to which section 519A of the Act of 1997 relates,

(iii) a chargeable amount computed in accordance with section 128C of the Act of 1997,

(iv) restricted shares as provided for in section 128D(3) of the Act of 1997,

(v) forfeitable shares as provided for in section 128E(3) of the Act of 1997,

(vi) any gain realised from the exercise, assignment or release of a right to acquired shares or other assets to which section 128(2A) of the Act of 1997 relates;”, and

- (c) by substituting the following definition for the definition of “special contributor”:

“ ‘special contributor’ means an employed contributor in receipt of reckonable earnings as defined in paragraph (b) in the definition of reckonable earnings;”.

*Modifications of insurance.*

5. The Principal Regulations are amended—

- (a) in article 81(2)(a) (amended by article 4 of the Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 6) (Euro) Regulations, 2001 (S.I. No. 613 of 2001)), by substituting the following sub-paragraph for sub-paragraph (i):

“(i) a contribution by the employed contributor at the rate of—

(I) 0.9 per cent of the amount of reckonable earnings in excess of €26 and up to €1,443, and

(II) 4 per cent of the amount of reckonable earnings in excess of €1,443,

in that week in respect of each employment (or the equivalent thereof in the case of an employed contributor remunerated otherwise than on a weekly basis), and”,

- (b) in article 82(2)(a) (amended by article 4 of the Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 6) (Euro) Regulations, 2001 (S.I. No. 613 of 2001)), by substituting the following sub-paragraph for sub-paragraph (i):

“(i) a contribution by the employed contributor at the rate of—

(I) 0.9 per cent of the amount of reckonable earnings in excess of €26 and up to €1,443, and

(II) 4 per cent of the amount of reckonable earnings in excess of €1,443,

in that week in respect of each employment (or the equivalent thereof in the case of an employed contributor remunerated otherwise than on a weekly basis), and”,

- (c) in article 83(2)(a) (amended by article 4 of the Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 6) (Euro) Regulations, 2001 (S.I. No. 613 of 2001)), by substituting the following sub-paragraph for sub-paragraph (i):

“(i) a contribution by the employed contributor at the rate of—

(I) 0.9 per cent of the amount of reckonable earnings in excess of €26 and up to €1,443, and

(II) 4 per cent of the amount of reckonable earnings in excess of €1,443,

in that week in respect of each employment (or the equivalent thereof in the case of an employed contributor remunerated otherwise than on a weekly basis), and”, and

(d) in article 87(2)(a) (amended by article 4 of the Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 6) (Euro) Regulations, 2001 (S.I. No. 613 of 2001)), by substituting the following sub-paragraph for sub-paragraph (i):

“(i) a contribution by the employed contributor at the rate of—

(I) 3.9 per cent of the amount of reckonable earnings in excess of €127 and up to €1,443, and

(II) 4 per cent of the amount of reckonable earnings in excess of €1,443,

in that week in respect of each employment (or the equivalent thereof in the case of an employed contributor remunerated otherwise than on a weekly basis), and”.

*Prescribed level of income for excepted self-employed contributor.*

6. Article 92 (amended by article 4 of the Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 6) (Euro) Regulations, 2001 (S.I. No. 613 of 2001) of the Principal Regulations is amended by substituting “€5,000” for “EUR 3,174”.

*Application of section 17 to contributions by Public Office Holders.*

7. Chapter 1 of Part II of the Principal Regulations shall apply to contributions by public office holders under Chapter 5A of Part 2 of the Social Welfare Consolidation Act 2005 (No. 26 of 2005) and, in such application, any reference in Chapter 1 of Part II of the Principal Regulations to—

(a) “employee” or “contributor” shall be read as a reference to a public office holder in receipt of remuneration in respect of the holding of a public office,

(b) “contribution” shall be read as a reference to a contribution by a public office holder under section 30B(1) of the Social Welfare Consolidation Act 2005,

(c) “employer” shall be read as a reference to a public body, as defined in section 30A of the Social Welfare Consolidation Act 2005, that is responsible for, or authorises, the payment of remuneration to a public office holder.

*Revocations.*

8. The following Regulations are repealed—

- (a) Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 1) (Refunds) Regulations 2003 (S.I. No. 698 of 2003), and
- (b) Social Welfare (Consolidated Contributions and Insurability) (Amendment) (Refunds) Regulations 2009 (S.I. No. 563 of 2009).

The Minister for Finance hereby consents to the making of the foregoing Regulations.



GIVEN under the Official Seal of the Minister for Finance,  
28 December 2010.

BRIAN LENIHAN,  
Minister for Finance.



GIVEN under the Official Seal of the Minister for Social Protection,  
31 December 2010.

ÉAMON Ó CUÍV,  
Minister for Social Protection.

## EXPLANATORY NOTE

*(This note is not part of the Instrument and does not purport to be a legal interpretation.)*

These Regulations make a number of changes to the provisions relating to PRSI contributions and contributors following on from the measures announced by the Minister for Finance in his Budget Statement of 7 December 2010—

- The abolition of PRSI relief on employee superannuation contributions in the case of reckonable earnings and reckonable income for the purposes of voluntary contributions;
- The inclusion of income from—
  - (a) approved profit sharing schemes,
  - (b) approved Save-As-You-Earn schemes,
  - (c) share awards, and
  - (d) unapproved share option gains

in the case of reckonable earnings and reckonable income for the purposes of voluntary contributions that is assessable for PRSI purposes;

- The application of a PRSI rate of 4% in the case of Modified PRSI contributors whose income exceeds €75,036 per annum;
- An increase in the floor below which self-employed contributors are excepted from liability for PRSI from €3,174 to €5,000; and
- The application of general provisions relating to the payment and collection of PRSI contributions to the new 4% contribution payable by public office holders.

All of these measures take effect from 1 January 2011.



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