



STATUTORY INSTRUMENTS.

**S.I. No. 600 of 2015**

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SOCIAL WELFARE (CONSOLIDATED CONTRIBUTIONS AND  
INSURABILITY) (AMENDMENT) (NO. 2) (MODIFICATIONS OF  
INSURANCE) REGULATIONS 2015

SOCIAL WELFARE (CONSOLIDATED CONTRIBUTIONS AND INSURABILITY) (AMENDMENT) (NO. 2) (MODIFICATIONS OF INSURANCE) REGULATIONS 2015

I, JOAN BURTON, Minister for Social Protection, in exercise of the powers conferred on me by section 4 (amended by section 96 of the Ministers and Secretaries (Amendment) Act 2011 (No. 10 of 2011)) of the Social Welfare Consolidation Act 2005 (No. 26 of 2005), and by section 14 of the Social Welfare Consolidation Act 2005, with the consent of the Minister for Finance, given after consultation with the Minister for Public Expenditure and Reform, hereby make the following Regulations:

*Citation and construction*

1. (1) These Regulations may be cited as the Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 2) (Modifications of Insurance) Regulations 2015.

(2) These Regulations and the Social Welfare (Consolidated Contributions and Insurability) Regulations 1996 to 2015 shall be construed together as one and may be cited together as the Social Welfare (Consolidated Contributions and Insurability) Regulations 1996 to 2015.

*Commencement*

2. These Regulations shall have effect—

(a) in so far as they relate to—

(i) subparagraphs (i) and (ii) (amended by article 4 of these Regulations) of article 86(2)(a) of the Principal Regulations, and

(ii) subparagraphs (i) and (ii) (amended by article 4 of these Regulations) of article 87(2)(a) of the Principal Regulations,

from 1 January 2016,

and

(b) in so far as they relate to—

(i) subparagraph (iii) (inserted by article 4 of these Regulations) of article 86(2)(a) of the Principal Regulations, and

(ii) subparagraph (iii) (inserted by article 4 of these Regulations) of article 87(2)(a) of the Principal Regulations,

*Notice of the making of this Statutory Instrument was published in “Iris Oifigiúil” of 5th January, 2016.*

from 1 March 2002.

*Interpretation*

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

*Modifications of insurance — amendments*

4. The Principal Regulations are amended—

(a) in article 86(2) (amended by article 4 of the Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 3) (Modifications of Insurance) Regulations 2012 (S.I. No. 569 of 2012)), by the substitution of the following paragraph for paragraph (a):

“(a) the employment contribution payable under section 13(1) of the Act of 2005 shall comprise contributions at the following rates—

(i) where in any contribution week a payment of more than €352 and not exceeding €412 is made to or for the benefit of an employed contributor in respect of reckonable earnings of that employed contributor, a contribution by the employed contributor at the rate of 3.33 per cent of the amount of the reckonable earnings in that week in respect of each employment, reduced by the equivalent of the difference between €10.00, and one-sixth of the difference between the reckonable earnings of that contributor and €352.01, (or the equivalent thereof in the case of an employed contributor remunerated otherwise than on a weekly basis),

(ii) where in any contribution week a payment of more than €412 is made to or for the benefit of an employed contributor in respect of reckonable earnings of that employed contributor, a contribution by the employed contributor at the rate of 3.33 per cent of the amount of the reckonable earnings in that week of each employment (or the equivalent thereof in the case of an employed contributor remunerated otherwise than on a weekly basis), and

(iii) a contribution by his or her employer at the rate of 6.87 per cent.”,

(b) in article 87(2) (amended by article 4 of the Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 3) (Modifications of Insurance) Regulations 2012 (S.I. No. 569 of 2012)), by:

(i) the substitution of the following paragraph for paragraph (a):

“(a) the employment contribution payable under section 13(1) of the Act of 2005 shall comprise contributions at the following rates—

- (i) where in any contribution week a payment of more than €352 and not exceeding €424 is made to or for the benefit of an employed contributor in respect of reckonable earnings of that employed contributor, a contribution by the employed contributor at the rate of 3.9 per cent of the amount of the reckonable earnings in that week in respect of each employment, reduced by the equivalent of the difference between €12.00, and one-sixth of the difference between the reckonable earnings of that contributor and €352.01, (or the equivalent thereof in the case of an employed contributor remunerated otherwise than on a weekly basis),
- (ii) where in any contribution week a payment of more than €424 is made to or for the benefit of an employed contributor in respect of reckonable earnings of that employed contributor, a contribution by the employed contributor at the rate of 3.9 per cent of the amount of the reckonable earnings in that week of each employment (or the equivalent thereof in the case of an employed contributor remunerated otherwise than on a weekly basis), and
- (iii) a contribution by his or her employer at the rate of 9.35 per cent.”, and

(ii) by the insertion of the following paragraphs after paragraph (a):

“(aa) for the period 1 January 2011 to 31 December 2012 the employment contribution payable under section 13(1) of the Act of 2005 shall comprise contributions at the rate of 3.9 per cent of the amount of reckonable earnings in excess of €127 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).

(ab) for the period 1 January 2013 to 31 December 2015 the employment contribution payable under section 13(1) of the Act of 2005 shall comprise contributions at the rate of 3.9 per cent of the amount of reckonable earnings 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

(c) in article 87(2)(c), by the substitution of “section 138 of the Act of 2005” for “section 117”.

The Minister for Finance consents to the foregoing Regulations.



GIVEN under my Official Seal,  
17 December 2015.

MICHAEL NOONAN,  
Minister for Finance.



GIVEN under my Official Seal,  
18 December 2015.

JOAN BURTON,  
Minister for Social Protection.

## EXPLANATORY NOTE

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

PRSI Credit

As part of Budget 2016, the introduction of a new PRSI Credit was announced, to reduce the amount of PRSI charged for lower paid employees paying classes A, H and E once they become liable to pay PRSI at weekly earnings of €352.01, with effect from 1 January 2016.

For classes A and H the maximum PRSI Credit is €12 and applies between earnings of €352.01 and €424. This maximum Credit applies at weekly earnings of €352.01. For weekly earnings in excess of €352.01 the Credit is reduced by one-sixth of the earnings in excess of €352.01. Once weekly gross earnings reach €424, the tapered Credit is exhausted and the PRSI rate (4% for class A and 3.9% for class H) applies without the benefit of the Credit.

For class E the maximum PRSI Credit is €10 and applies between earnings of €352.01 and €412. This maximum Credit applies at weekly earnings of €352.01. For weekly earnings in excess of €352.01 the credit is reduced by one-sixth of the earnings in excess of €352.01. Once weekly gross earnings reach €412, the tapered Credit is exhausted and the 3.3% PRSI rate applies without the benefit of the Credit.

Section 10 of the Social Welfare and Pensions Bill 2015 provides for the necessary amendments of the Social Welfare Consolidation Act 2005 in respect of persons insurable at the class A rate of PRSI.

These Regulations provide for the necessary legislative amendments to secondary legislation in the case of employed contributors insurable at the class E rate (Ministers of religion employed by the Church of Ireland Representative Body) and the class H rate (non-commissioned officers and enlisted personnel of the Defence Forces).

Correction of errors in Articles 86 and 87 of the “Principal Regulations”

These Regulations also retrospectively correct errors in the “Principal Regulations” that is the Social Welfare (Consolidated Contributions and Insurability) Regulations 1996 to 2015.

Article 86 of the Principal Regulations was not amended to take account of the reduction in the Class E employer PRSI rate from 8.12% to 6.87% announced in Budget 2002 and effective from 1 March 2002. However, the lower (correct) rate of class E employer PRSI has been applied since 2002.

Article 87 of the Principal Regulations was not amended to take account of the reduction in the Class H employer PRSI rate from 10.6% to 9.35% announced in Budget 2002 and effective from 1 March 2002. However, the lower (correct) rate of class H employer PRSI has been applied since 2002.

In addition, article 87 was incorrectly amended by way of the Social Welfare (Consolidated Contributions and Insurability) (Amendment) Regulations 2010 (S.I. No. 684 of 2010) to provide with effect from 1 January 2011, a 4% PRSI charge on Class H employees earning over €1,443 per week. This change in rate was appropriate for employees insurable at classes B, C and D who otherwise paid employee PRSI at the rate of 0.9% but it was not appropriate for those insurable at class H who pay employee PRSI at the rate of 3.9%. However, this change in PRSI rate from 3.9% to 4% was never implemented by the employer (the Department of Defence) as it operated on the basis of the Budget announcement which (correctly) did not provide for an increase in the PRSI rate for class H employees.

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