

IMPORTANT NOTICE TO EMPLOYERS - October 2011

Changes to the deduction of Universal Social Charge (USC)

The USC, which came into effect on 1 January 2011, is payable on gross income and is charged on weekly, fortnightly, etc. basis. As and from 1 January 2012, the deduction of USC will change from the present week 1 basis to a cumulative basis – similar to the manner in which PAYE is deducted.

Q. How will this impact on me?

A. The change from week 1 to cumulative USC will mean a different method of calculating USC deductions for your employees.

Q. What do I need to do to ensure I continue to deduct the USC correctly?

A. Ensure your payroll software is updated. Visit Revenue's website www.revenue.ie where you will find updated Frequently Asked Questions (FAQ) explaining the changes expected from 1 January 2012.

Q. How will Revenue inform me of the correct thresholds and rates?

A. Employer Tax Credit Certificates (P2Cs), as well as displaying PAYE rates and cut-off points, will now feature USC rates and cut-off points. Employers should receive a certificate for each employee. Remember the quickest way to receive this information is through Revenue's On-line Services (ROS).

Q. Will this result in Employees paying more USC?

A. Notwithstanding possible changes to the operation of the USC that may be announced by the Minister of Finance in the December Budget - employees paying the correct amount of USC will notice no difference from this change.

Q. How will employees know what rate of USC they are to pay?

A. Employees' Tax Credit Certificates (TCCs) will display details of USC in a similar manner to how PAYE is presently displayed. Employees can view their TCCs by logging on to Revenue's dedicated PAYE on-line service - PAYE Anytime.

Q. Where can I find out more information on this change?

A. Further details on this change are available on the Revenue website at www.revenue.ie

The **Employer Customer Service Unit** provides information and support to employers.
Contact details as follows:

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