

Universal Social Charge (USC) – Employer Factsheet

The Universal Social Charge, which came into effect on 1 January 2011, is a tax payable on gross income, including notional pay, after any relief for certain capital allowances, but before pension contributions.

The rates of Universal Social Charge are:

- 2% on the first €10,036
- 4% on the next €5,980
- 7% on the balance.

Persons over 70 years are not liable at the rate of 7% but instead pay at 4%.

Persons who hold a full medical card are not liable at the rate of 7% but instead pay at 4%.

Exempt Categories:

- Where an individual's total income for a year does not exceed €4,004
- All Dept of Social Protection payments

For payroll purposes the following Universal Social Charge rates apply:

Persons aged under 70 years

	Annual Threshold	Weekly	Fortnightly	Monthly	4-Weekly	Bi-monthly (every 2 months)	Twice-monthly	Quarterly
	4,004	77	154	334	308	668	167	1,001
2%	0.00 up to 10,036.00	0.00 up to 193.00	0.00 up to 386.00	0.00 up to 837.00	0.00 up to 772.00	0.00 up to 1,673.00	0.00 up to 419.00	0.00 up to 2,509.00
4%	From 10,036.01 to 16,016.00	From 193.01 to 308.00	From 386.01 to 616.00	From 837.01 to 1,335.00	From 772.01 to 1,232.00	From 1,673.01 to 2,670.00	From 419.01 to 668.00	From 2,509.01 to 4,004.00
7%	From 16,016.01	From 308.01	From 616.01	From 1,335.01	From 1,232.01	From 2,670.01	From 668.01	From 4,004.01

Persons aged 70 years and over, and persons in possession of a Full Medical Card (regardless of age)

	Annual Threshold	Weekly	Fortnightly	Monthly	4-Weekly	Bi-monthly (every 2 months)	Twice-monthly	Quarterly
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4%	From 10,036.01	From 193.01	From 386.01	From 837.01	From 772.01	From 1,673.01	From 419.01	From 2,509.01

Employers/pension providers are to operate the Universal Social Charge on a Week 1 basis.

Employers/pension providers are to apply the €4,004 exemption threshold in payroll – similar to the operation of the Income Levy. Where the weekly earnings are €77 or below, no USC is deducted. Where the weekly earnings are above €77, USC is deducted on the **full** weekly payment. See above table for monthly, fortnightly, etc, equivalents.

USC Certificate

When an employee ceases employment the employer/pension provider should issue a Universal Social Charge certificate to the employee together with form P45. An end of year Universal Social Charge certificate will not be in place. Instead, the form P60 will be revised to cater for the Universal Social Charge.

End of year employer/pension provider USC calculation

At the end of the year employers/pension providers are to carry out an end of year USC calculation for employees who have been in continuous employment/pension from 1 January to 31 December – similar to the operation of the Income Levy.

USC FAQs

Further information on the Universal Social Charge can be found in Revenue's Universal Social Charge Frequently Asked Questions document on the Revenue website at www.revenue.ie/en/tax/usc/universal-social-charge-faqs.pdf Revenue will continue to update this source of USC information.