



## Employer Notification for Changes to PRSI for people aged between 66 and 70 from 1 January 2024

### *What is happening regarding PRSI from 1 January 2024?*

From 1 January 2024, a person will be able to draw down their State Pension (Contributory) (SPC) at any age between 66 and 70. This will give a person the opportunity to continue to work and pay PRSI which may improve their contribution record for when they decide to draw down their SPC.

As it stands, a person who is an employee, and is aged 66 or over, does not have to pay PRSI on their income (although their employer pays Class J at the 0.50% rate). The upper age limit for PRSI exemption is being changed via legislation from 66 years to 70 years with effect from 1 January 2024. This will apply to the employee, the employer and the self-employed PRSI liability.

This change will apply to all persons who are employees, **with the exception of** the following main categories:

- People who have been awarded SPC. People may attain this status on/after reaching 66 years. Once SPC is in payment the person's earnings are not subject to PRSI.
- Individuals who have reached the age of 66 before 1 January 2024, i.e., those born before 1 January 1958. The PRSI position of these persons will be unaffected by the changes.

### *What Employers Need to Know*

From 1 January 2024, employers will need to know whether their employee who is aged between 66 and 70 and born after 1 January 1958 has been awarded SPC in order to assign the appropriate PRSI class.

Therefore, employers will need to confirm with any of their employees who are aged between 66 and 70 and born after 1 January 1958, whether they have been awarded an SPC. When a person is awarded their SPC, the award letter from the Department of Social Protection advises them that if they continue to work, it is important to inform their employer that they are in receipt of SPC to ensure they do not pay PRSI.

Examples of the various scenarios that can apply and a sample PRSI class table from 1 January 2024 are enclosed.

### *Why is returning the correct PRSI Class important?*

If an employer does not deduct the correct amount of PRSI, this may result in an overpayment or underpayment of PRSI by the employer and the employee. It may also lead to issues for employees in allowing them to claim their social insurance entitlements.

### *Any further queries?*

For further information, please click [here](#). Any additional queries can be emailed to the PRSI Policy team at [prsipolicy@welfare.ie](mailto:prsipolicy@welfare.ie).



### Examples

		Current Position	Position from 1 January 2024
1	Ann is 68 (DOB 9/8/55) employed in retail and earning €100 per week, <b>not in receipt</b> of SPC.	Ann's earnings are not subject to PRSI as she is over 66 years. PRSI Class J applies.	Ann's earnings are not subject to PRSI as she is over 66 years as at 1/1/24. PRSI Class J continues to apply.
2	Mary is 68 (DOB 9/8/55), employed in retail and earning €100 per week, <b>in receipt</b> of SPC.	Mary's earnings are not subject to PRSI as she is over 66 years. PRSI Class J applies.	Mary's earnings are not subject to PRSI as she is over 66 years as at 1/1/24 and she is in receipt of SPC. PRSI Class J continues to apply.
3	Joe is 65 (DOB 9/8/58), employed in retail and earning €100 per week, <b>does not</b> have an SPC entitlement.	Joe's earnings are subject to PRSI as he is under 66 years but under current rules his earnings would become exempt from PRSI when he reaches 66 years on 9/6/24. PRSI Class A currently applies.	Joe's earnings will continue to be subject to PRSI as he was born after 1/1/58, is under 70 years, and is not in receipt of SPC. PRSI Class A continues to apply after age 66.
4	Pat is 65 (DOB 9/8/58) employed in retail and earning €100 per week, and <b>has an</b> entitlement to SPC, which he intends to exercise, on attaining 66 years.	Pat's earnings are subject to PRSI as he is under 66 years but under current rules his earnings would become exempt from PRSI when he reaches 66 years on 9/8/24. PRSI Class A currently applies.	Pat's earnings will be exempt from PRSI from his 66 <sup>th</sup> (9/8/24) birthday as he will be in receipt of SPC from that date. PRSI Class J will apply from age 66.
5	Sean is 65 (DOB 9/8/58) employed in retail and earning €100 per week and has an entitlement to SPC on attaining 66 years. However, Sean has decided to <b>not take his SPC</b> at 66 and defer receipt of his SPC to a later date.	Sean's earnings are subject to PRSI as he is under 66 years but under current rules his earnings would become exempt from PRSI when he reaches 66 years on 9/8/24. PRSI Class A currently applies.	Sean's earnings will continue to be subject to PRSI as he was born after 1/1/58, is under 70 years, and is deferring his receipt of SPC i.e. is not in receipt of SPC. PRSI Class A will continue to apply.

**Main PRSI Class Changes Post 66 from 1 January 2024**

<b>PRSI Class</b>	<b>Person Born Before/After 1 January 1958</b>	<b>Current PRSI Class under age 66</b>	<b>Current PRSI Class after age 66</b>	<b>From 1 January 2024, contributors aged between age 66 &amp; 70 and who have not been awarded SPC</b>	<b>From 1 January 2024, contributors aged between age 66 &amp; 70 and who have been awarded SPC.</b>	<b>PRSI Class Post Age 70</b>
<b>A</b>	Before	A	J	J	J	J
	After	A	J	A	J	J
<b>S</b>	Before	S	M	M	M	M
	After	S	M	S	M	M