



**Coimisiún na Scrúduithe Stáit**  
State Examinations Commission

**Financial Information for Examinations Contract Staff**

1. Change to the Rate of Fees
2. Travel & Subsistence Rates
3. PAYE
4. Universal Social Charge (USC)
5. Public Service Pension Related Deduction (PRD)

**1. Change to the Rate of Fees**

There is no change to the rates of all fees payable to staff engaged in contract work with the State Examinations Commission (SEC); the rates remain at the 2010 level.

**2. Travel and Subsistence**

The rates of Travel & Subsistence effective from 5<sup>th</sup> March 2009 continue to apply.

**3. PAYE**

Following the introduction of a full tax credit system from 6th April 2001 the SEC generally applies the higher tax rate (41%) with a nil tax credit. **However, should you consider that you are entitled to a more favourable income tax arrangement you should contact your local Revenue office, where your income tax affairs are normally dealt with, with a view to obtaining a Certificate of Tax Credits and Standard Rate Cut-Off Point for the SEC.** You will be required to quote your PPS Number, the SEC's Employer's Registered No. 0051305K and your estimated income from all sources for the relevant tax year. Please note that tax credits should be updated against the SEC employer number every tax year.

Following the end of the tax year the SEC will provide you with a Statement of Earnings to enable you to reconcile your tax affairs. In general, it is understood that tax refunds will only be calculable by the Office of the Inspector of Taxes after the close of the relevant tax year. Please contact your local Revenue office or consult the Revenue website [www.revenue.ie](http://www.revenue.ie) for further information. It is the responsibility of individuals to reconcile their own tax affairs.

**4. Universal Social Charge (USC)**

The following changes have been made to the USC structure for the 2012 tax year:

1. The annual USC exemption amount increased from €4,004 to €10,036. Therefore no USC is payable in 2012 where an individual's total gross income from all employments does not exceed €10,036.
2. The calculation of USC has changed from a Week 1 basis to a cumulative basis, similar to the manner in which PAYE is deducted.

3. The rate of USC applicable is determined by the Revenue Commissioners and included on each individual's Certificate of Tax Credits. **Where no Certificate of Tax Credits is provided to the SEC, the Commission is obliged to apply 7% rate to all earnings.** Please see paragraph 3 above for more information in relation to Tax Certificates. All queries regarding USC must now be directed through the Revenue Commissioners.

Further information regarding the USC is available in 'Universal Social Charge: Frequently Asked Questions' published by the Revenue Commissioners and available on [www.examinations.ie](http://www.examinations.ie), under the Information for Contract Staff section.

### 5. Public Service Pension Related Deduction (PRD)

We wish to advise you that the application of the PRD to earnings in respect of contract work with the SEC continue to apply in 2012. This is in line with the general application of PRD in the public service.

The rates of PRD that apply to all public service income are as follows.

€0- €15,000	0%
€15,001 - €20,000	5%
€20,001 - €60,000	10%
€60,000	10.5%

**Table 1 PRD**

The following Questions and Answers serve to demonstrate how this deduction will apply and operate.

#### 5(a) Will the public service pension related deduction (PRD) apply to contract work with the SEC such as examining and superintending?

In general yes, although there are some exceptions. The PRD is governed by the *Financial Emergency Measures in the Public Interest Act 2009*. The Act defines a person to whom the PRD applies as a person who

- i. is a public servant, **and**,
- ii. is a member of a public service pension scheme, or,
- iii. is entitled to a benefit under a public service pension scheme, or,
- iv. receives a payment in lieu of membership of a public service pension scheme.

The SEC expects that the majority of contract staff, as serving teachers, will be liable to the application of the PRD.

#### 5(b) I believe that I am exempt from the application of PRD as I do not meet the criteria set out above. How do I claim an exemption from PRD?

If you believe that you are exempt from PRD, by reference to the criteria at i. to iv. in Section 5(a) above then you will have the opportunity to claim an exemption from PRD from the SEC. See Section 5(i) below.

#### 5(c) I am a retired person who does contract work for the SEC. Is all of my income (pay and pension) subject to the PRD?

No. Your pension is specifically exempt from the PRD. If you are liable to the PRD by reference to the criteria at i. to iv. in Section 5(a) above then the PRD will apply to your earnings from the SEC.

#### 5(d) What income is subject to the PRD?

All taxable income is subject to the PRD. Travel expenses, subsistence allowances and other miscellaneous expenses are not taxable income and so are not subject to the deduction.

#### **5(e) What rate of PRD will apply?**

- If your main employment is a public service employment then **all of your earnings** from the SEC, which for the purposes of the PRD is classed as a subsidiary employment, **will have the PRD applied at the top rate of 10.5%**.
- If you are not in full time employment, liable to PRD (by reference to the criteria at Section 5(a) above) and your only other public service employment is your contract work with the SEC then you will be required to designate your SEC employment as your main employment for the purposes of PRD. PRD will then be applied to your SEC earnings by reference to the thresholds set out in Table 1 above. If you are in this category you will be required to complete a form SEC\_PRD10 to declare your status and to designate the SEC as your main employer for the purposes of PRD. See Section 5(i) below for further details.
- If you are not in full time employment, liable to PRD (by reference to the criteria at Section 5(a) above) and have multiple public service employments then you will be required to designate whether the SEC is your main employment or subsidiary employment for the purposes of PRD. The PRD rate will then be applied as appropriate to your category of employment i.e. main or subsidiary. If you are in this category you will be required to complete a form SEC\_PRD10 to declare your status and to designate the SEC as your main or subsidiary employer as appropriate. See Section 5(i) below for further details.
- If you are exempt from PRD (by reference to the criteria set out in Section 5(a) above) then no PRD will be deducted from any of your SEC earnings. If you are in this category you will be required to complete a form SEC\_PRD10 to claim your exemption. See Section 5(i) below for further details.
- If you do not advise us otherwise, we will apply PRD to all of your earnings from the SEC at the top rate of 10.5%.

#### **5(f) Do I get tax relief?**

Yes. PRD is deducted from gross pay before income tax is applied. Tax will be calculated on the balance after the PRD has been deducted. In effect this means that the amount deducted in respect of the PRD is exempt for tax purposes.

#### **5(g) How will I know how much PRD has been deducted?**

The pay-slips and Statements of Earnings issued by the SEC will show the PRD as a separate item.

#### **5(h) Can I get a refund if I overpay PRD?**

Yes. Refunds of PRD must be claimed from your main employer.

- 1. For contract staff who also have a main public service employer or for contract staff who are in receipt of a public service pension, have other public service employment and have designated the SEC as a subsidiary employment for the purposes of PRD.**

If at the end of the tax year you believe that you have overpaid PRD, by reference to your combined taxable income from all public service sources and the rates of PRD set out in Table 1 above, you can claim a refund from your main public service employer. The SEC will furnish you with the necessary documentation, either a Statement of Earnings or other documentation as required, to enable you to claim a refund.

**2. For contract staff who are in receipt of a public service pension and have designated the SEC as their main employment for the purposes of PRD.**

PRD will be deducted by reference to your total taxable earnings from the SEC and the thresholds set out Table 1 above. In the unlikely event that PRD is over-deducted you will be able to claim a refund from the SEC.

**5(i) I am entitled to a refund of PRD, how do I claim?**

Please write to the SEC including a completed SEC\_PRD10 form if not previously submitted, to PRD Refunds, Finance Section, State Examinations Commission, Cornamaddy, Athlone, Co. Westmeath.

**5(j) I am required to complete a form SEC\_PRD10 to claim an exemption or to declare my status for the purposes of PRD. Where can I get these forms?**

You can download SEC\_PRD10 from the Information for Contract Staff section of [www.examinations.ie](http://www.examinations.ie). You can also obtain a copy by phoning us on 090-644 2805 or by e-mailing [financial@examinations.ie](mailto:financial@examinations.ie). The completed forms should be returned to the PRD Queries, Finance Section, State Examinations Commission, Cornamaddy, Athlone, Co. Westmeath. The declaration on the SEC\_PRD10 is legally binding. The SEC reserves the right to confirm the information submitted on the form SEC\_PRD10.

Please direct any questions that you have on the content of this notice to the e-mail address or phone numbers that follow.

**Michael Kiely  
Principal Officer  
May 2012**

**Telephone 090-6442803 / 2805 /2880/ 2877 / 2802 / 2847 / 2806  
Email: [financial@examinations.ie](mailto:financial@examinations.ie)**