

PAYE/USC Regulations - Emergency Tax

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1. Introduction

The purpose of this Manual is to outline the emergency income tax and USC provisions which will have effect from 1 January 2019. The income tax provisions are provided for in Regulation 19 of the Income Tax (Employments) Regulations 2018 while the USC emergency basis is provided for in Regulation 18 of the USC Regulations 2018.

2. Emergency Tax basis for an employee who does not provide a PPS Number

- 2.1 Where, on taking up employment, an employee does not provide the employer with his or her PPS number, and a Revenue Payroll Notification (RPN) in respect of the employee has not been made available to the employer, the employer is obliged to calculate the tax due on the employee's emoluments at the higher rate of tax with no tax credits due.

Example 1

In 2019, an employee commences employment and does not provide his or her employer with his or her PPS Number for the first three paydays. He or she is earning €470 per week.

The tax deductions to be made from his or her earnings are as follows:

First Pay Day	Pay	€470
	Tax at highest rate 40%	€188.00
Second Pay Day	Pay	€470
	Tax at highest rate 40%	€188.00
Third Pay Day	Pay	€470
	Tax at highest rate 40%	€188.00

- 2.2 Where an employee subsequently provides his or her PPS Number to the employer, the normal emergency tax basis (see [paragraph 4](#)) applicable to that and subsequent weeks must be applied, unless a RPN has been made available to the employer. For example, if an employee provides his or her PPS Number in the fourth week of employment, the employer, in the absence of a RPN, must deduct tax in accordance with the rule applicable to week 4 of the normal emergency tax rules, as set out in paragraph 4.

Example 2

The employee provides his or her PPS Number in time for the calculation of his or her tax deductions for the fourth payday.

Fourth Pay Day	Pay	€470
	*Tax at standard rate 20%	€94
	Tax due	€94.00

* Week 4 of normal emergency procedure

3. PPSN Checker

For the purpose of ensuring that the PPSN is correct, Revenue has provided a PPS number checker. This service can be accessed by the employer under My Services/Other Services in ROS.

An employer can also check the PPS Number provided against any of the following documents:

- a notice of determination of tax credits and standard rate cut-off point;
- a notice of assessment to income tax or capital gains tax;
- a Statement of Liability;
- any other item of correspondence from the tax office which specifically quotes the PPS Number;
- a pay slip from a previous employer which shows the PPS Number;
- a Department of Social Protection Services Card, or PPS Registration Letter, issued by the Department of Social Protection.

4. Emergency Tax and the standard rate cut-off point – Normal Emergency rules

The emergency system and standard rate cut-off operates as follows:

Weeks 1–4 or Month 1 [if paid monthly]

Tax is calculated on the gross pay* at the standard rate of tax up to an amount equal to 1/52nd of the standard rate cut-off point for a single individual if weekly paid or 1/12th if monthly paid and any balance at the highest rate of tax.

*Gross pay after deduction of superannuation contributions and permanent health contributions where relevant.

Each subsequent Week or Month if paid monthly

Tax must be calculated on the gross pay at the higher rate of tax with no tax credits due.

Example 3

An employee commences employment and he provides his employer with his PPS Number. An RPN has not been made available to the employer in respect of the employee. The employee is earning €865 per week.

The tax deductions to be made from his or her earnings for 2019 are as follows:

First 4 Pay days (Emergency Basis weeks 1 – 4 above)	Pay		€865
	*Standard rate cut off point	€679 x 20% =	€135.80
	Balance	€186 x 40% =	€74.40
	Total		€210.20
	Tax due		€210.20
Subsequent Pay days	Pay		€865
	Standard rate cut off point		€Nil
	Balance	€865x 40% =	€346.00
	Tax due		€346.00

* The standard rate cut-off point for 2019 is €35,300 X 1/52 = €679

5. Emergency Tax and separate periods of employment

Where an employee has separate periods of employment with the one employer in the same income tax year or subsequent years and the emergency basis applies, the emergency deduction is calculated by reference to the date of the first payment of emoluments to the employee.

6. USC Emergency basis of deduction

The emergency basis of deduction is provided for in Regulation 18 of the Universal Social Charge Regulations 2018.

The emergency basis applies where the employer does not hold a RPN. USC at the highest rate (8% for 2018) is deductible from any emoluments paid to the employee.

Further information on the [emergency basis](#) of tax is available on our website.