

Quickpay

What is the Universal Social Charge?

The Universal Social Charge (USC), which comes 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.

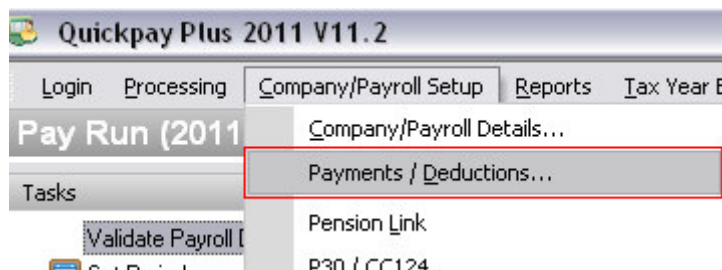
What is exempt from the Universal Social Charge?

- Where an individual's total income for a year does not exceed €4,004
- All Dept. of Social Protection payments
- Payments that are made in lieu of Dept. of Social Protection payments such as Community Employment Schemes paid by the Department of Enterprise, Trade and Innovation or Back to Education Allowance paid by the Department of Education and Science. [Appendix A contains examples of these types of payments]
- Income already subjected to DIRT
- Income sources listed in Appendix B.

View www.revenue.ie for further details. An FAQ regarding the USC is available on revenues website at <http://www.revenue.ie/en/press/budget/2011/universal-social-charge-fqs.pdf>

In Sage Quickpay, how do I process employees who are exempt from paying USC?

1. Set up a payment that is exempt from USC calculations. Go to **Company/Payroll Details** on the top toolbar and select **Payments & Deductions** from the provided drop down list.



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2. Create a new payment on the next available line but do not check the USC checkbox.

Payments			Allowances								
Rate	Premium	CSO type	Details	Name	Tax	USC	PRD	Pens'able	Holida	Redun	Type
	1.00	Regular pay	Edit...	Salary	Y	Y					Regular pay
	1.50	Regular pay, shift	Edit...	Hol Pay	Y	Y					Irregular pay
	2.00	Regular pay, shift	Edit...	Com Emp	Y	N					
	1.00	Irregular pay	Edit...								
			Edit...								
	1.00		Edit...								
	1.00		Edit...								

2. You have now set up the required payment. Use this payment by accessing the employee details or timesheet entry area.

Appendix A

List of Social-Welfare-Like Payments

Payments made by the Dept. of Enterprise, Trade and Innovation

- Community Employment Scheme
- Job Initiative Scheme
- FÁS (non apprentice payments)

Payments made by the Health Service Executive (HSE)

- Blind Welfare Supplementary Allowance
- Domiciliary Care Allowance
- Mobility Allowance

Payments made by the Dept. of Education

- VTOS Training Allowances
- Youthreach Training Allowances
- Senior Traveller Training Allowances
- Back to Education Initiative (BTEI) Training Allowances paid to Youthreach, STTC or VTOS eligible participants on a pro-rata basis.
- Vocational Education Committees' Scholarship Scheme
- Fund for Students with Disabilities
- Student Assistance Fund
- Millennium Partnership Fund for Disadvantage

Payments made by the Dept. of Agriculture

- Farm Retirement Pensions
- Farm Retirement Workers Pensions

Payments made by the Dept. of Social Protection

- Rural Social Scheme
- Farm/Fish Assist Jobseekers Allowance or Jobseekers Benefit
- One-Parent Family Payment, Widow(er)'s Pension or Disability Allowance
- Adult Dependent of a recipient of the non-contributory State Pension
- Domiciliary Care Allowance

Appendix B

Exempt Income Sources Section	Title
42	Interest on savings certificates
118	Exemption from BIK – Travel Pass, new bicycle scheme
153	Distributions to certain non-residents
189	Payments in respect of personal injuries
189A	Special trust for permanently incapacitated
190	Haemophilia Trust
191	Hepatitis C
192	Thalidomide
192A	Exemption in respect of certain payment under employment law
192B	Foster Care Payment
193	Income from Scholarships
194	Child benefit
194A	Early Childcare Supplement
195A	Exemption in respect of certain expense payments
196	Expenses of members of Judiciary
196A	State Employees: Foreign Service Allowance
196B	Employee of certain agencies: foreign service allowances
197	Bonus or interest paid under instalment savings schemes
198	Certain interest not to be chargeable
199	Interest on certain securities
200	Certain foreign pensions
201	Basic and increased exemptions in respect of tax under section 123 (Redundancy) including SCSB
202	Relief for agreed pay restructuring
203	Lump sum weekly payment or resettlement allowance paid under the Redundancy Payments Act, 1967
204	Military & other pensions, gratuities and allowances – See FAQ 4.29
205	Veterans of war of independence
216A	Rent a Room relief
216B	Scéim na bhFoghlaimoírí Gaeilge
216C	Childcare service relief