



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Financial Information for Examinations Contract Staff

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1. Change to the Rate of Fees

Arising from the application of the public service pay rate reduction announced in Budget 2010 the rates of all fees payable to staff engaged in contract work with the State Examinations Commission (SEC) have been **reduced by 5%** with effect from 1st January 2010. These reduced rates remain in effect until you are advised otherwise. Claims relating to prior periods will be paid at the rates that were in effect at the time that the work was conducted.

2. Travel and Subsistence

The rates of Travel & Subsistence effective from 5th 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.

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 at year end. 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 for further information. It is the responsibility of individuals to reconcile their own tax affairs.

4. Income Levy

This levy, which was introduced from 1st January 2009, applies to earnings from all sources. In line with standard practice, as advised by the Revenue Commissioners, the SEC is responsible for collecting the income levy by reference to the gross income arising in employment with the SEC only. An annual minimum threshold of €15,028 applies. Once your income with the SEC in a tax year is greater than the minimum threshold of €15,028, you pay the levy on the full amount of your income.

The Income Levy rates are as follows:

From 1st May 2009 onwards	
€0* - €75,036	2%
€75,037 - €174,980	4%
€174,981 +	6%

Table 1. Income Levy

*Once the annual minimum earnings threshold of €15,028 is breached.

The following are exempt from the Income Levy:

- Individuals whose total annual income does not exceed €15,028
- Individuals aged 65 or over whose total annual income does not exceed €20,000
- Married couples, one or both of whom are aged 65 or over, whose combined income for the year does not exceed €40,000
- Individuals who hold a full medical card. (A 'GP only' medical card is not a 'full' medical card). If you hold a valid full medical card please download and complete Form SEC_MC1 from the Contract Staff section of www.examinations.ie and send, with a copy of your medical card, to the Finance Section, State Examinations Commission, Cornamaddy, Athlone, Co. Westmeath to have your exemption applied. You can also obtain a copy of the Form SEC_MC1 by phoning us on 090-644 2880 or by e-mailing financial@examinations.ie.

The levy is a separate charge to income tax and there are no deductions or credits due against it. It is calculated from gross income. Any income levy deductions made will be clearly identified on payslips and Statements of Earnings.

5. Public Service Pension Related Deduction (PRD)

We wish to advise you of significant changes to the application of the PRD to earnings in respect of contract work with the SEC. These changes are 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 2. 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 State Examinations Commission 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 retired, 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 2 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 retired, 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 (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 and PRSI are applied. Tax and PRSI, including the health levy, will be calculated on the balance after the PRD has been deducted. In effect this means that the amounts deducted in respect of the PRD are exempt for tax and PRSI (including health levy) purposes. This does not apply to the Income Levy which is always calculated on gross pay.

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 2 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 2 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 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 this form?

You can download form SEC_PRD10 from the Information for Contract Staff section of www.examinations.ie. You can also obtain a copy by phoning us on 090-6442805 or by e-mailing financial@examinations.ie. The completed form should be returned to the 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.

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